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NEWS SUMMARY

GENERAL

UK takes tough stand on Rhodesia

A serious clash between Britain and the Commonwealth loomed as Lord Carrington...

He said the United Nations could have no role in Rhodesia and the proposed interim government...

A Commonwealth attempt to bridge the gap between the Prime Minister Michael Manley...

Swann attack Cutting £5m from the RBC's foreign language budget...

£550 rise A £550 a week rise for Glaxo's chairman and chief executive...

Envoy recalled The U.S. is temporarily to recall its ambassador from Czechoslovakia...

Hua in London Talks in London between Chairman Hua Guofeng, the Chinese leader...

Record award Record High Court damages of £282,500 were awarded to school-teacher Elizabeth Swanwick...

Exchange row More than 450 anti-nuclear demonstrators were arrested after an unsuccessful attempt to block the opening of the New York Stock Exchange...

Basque strike A 24-hour general strike paralysed the Basque region of Spain. It was called by the main trade unions to protest at the murder of a socialist worker...

Briefly ... Independent Broadcasting Authority is to spend £30m on buildings and equipment for the fourth television channel...

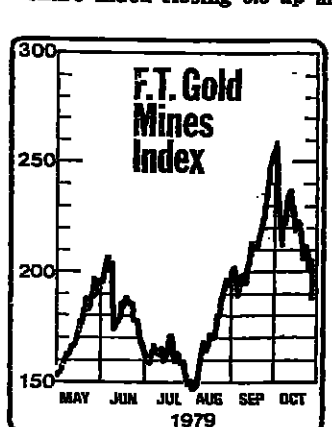
CHIEF PRICE CHANGES YESTERDAY (Prices in pence unless otherwise indicated)

Table of price changes for various commodities like Burmah Oil, Cluff Oil, Lunuva, etc.

BUSINESS

Gold off 6.0; Equities rally

EQUITIES rallied. The FT 30-share index closing 6.6 up at 300.



446.8. Golds fell, the FT Gold Mines Index closing 6.0 down at 187.5.

GILTS improved, the Government Securities Index closing 0.47 up at 69.33.

STERLING closed 85 points down at £2.0960. Its trade-weighted index was unchanged at 67.5. The dollar's index rose to 85.9 (86.5).

GOLD fell \$1; to close at \$374 in London.

WALL STREET was 0.08 down at 809.23 before the close.

BRITISH Steel said it was prepared to more than double its coking coal imports - to between 5m and 6m tonnes - if the National Coal Board did not cut prices by about 15% a tonne.

BRITISH Caledonian, the UK's biggest independent airline, signed a contract for three European A-310 Airbuses...

TALKS take place tonight on Government plans to sell about 77m British Petroleum shares - 5 per cent - which will probably bring proceeds of over £250m.

THE IRON and Steel Trades Confederation, one of the unions in the Hunterston oil terminal demarcation dispute...

THE INDUSTRIALISED world faces a short, sharp recession next year with quite a strong recovery in 1981...

STATOIL, Norway's state oil company, has reduced its 1980 investment expenditure forecast by £8.18m to £200.9m...

DUTCH Government is in favour of large-scale landings of liquefied petroleum gas (LPG) at Rotterdam...

SCOTTISH Development Agency is to invest £5m in a micro-processor institute for developing applications of electronic chips...

GEC has decided against raising its £90.4m bid for Avelly, the weighing machine company, despite the low level of acceptances...

Gas-flare curb will cut UK North Sea oil supply by 10%

BY SUE CAMERON

UK oil supplies from the North Sea will be cut by more than 10 per cent this winter as the result of a Government decision to crack down on wasteful flaring of gas in the giant Brent Field.

Shell and Esso, which are jointly developing the field, warned that the move could lead to higher prices for products such as fuel oil, petrol and heating oil...

The decision to restrict gas flaring on Brent, the biggest oil and gas field in the UK sector of the North Sea, was announced yesterday by Mr. Hamish Gray, Minister of State for Energy...

Oil companies operating in the North Sea must have Government permission to flare gas. The aim of the move is to conserve Britain's North Sea gas reserves...

Both Shell and Esso are worried that the decision to cut Brent oil production will hit their own UK supplies hard. The two companies send all the oil from Brent for use in the UK...

The drop in total North Sea production, as in domestic supplies, is about 4.5 per cent. Shell said it would be unable to make up the shortfall from Brent with other North Sea oil until spring at the earliest...

extra oil from its own interests in other North Sea fields, and did not expect any crude to be available from other North Sea producers...

Esso, which has about 20 per cent of the UK market for oil and oil products, said the Brent cut would reduce its British oil supplies by about 10 per cent.

Esso and Shell fear they will have to buy in oil or oil products from the spot market to make up for the reduction in supplies from Brent...

Some of the more hawkish members of the Organisation of Petroleum Exporting Countries could see the Brent decision as an excuse for restricting their own oil production...

Parliament, Page 15

CBI and TUC to debate economy with Ministers

BY JOHN ELLIOTT, INDUSTRIAL EDITOR

A WIDE ranging debate about ways of tackling Britain's economic problems is to be staged by the Government with leaders of both sides of industry early in December...

But the TUC will want to broaden the debate into questions such as public spending and inflation and it remains to be seen whether a row develops between the parties.

The agenda for the event was agreed recently at a special meeting of what is known as the Group of Four comprising Sir Douglas Wass, the Treasury's Permanent Secretary...

The Government will table the Treasury's short-term economic forecasts which are to be published a few days earlier, as well as this week's public spending White Paper.

From the CBI there will be a gloomy report about industrial prospects based on its quarterly economic trends report which is being published today as well as sharp warnings about the level of pay claims and settlements.

The TUC will also table a paper which will aim at broadening the scope of the debate as widely as possible, stressing that union leaders do not accept that pay rises are the only variable factor.

Mr. Len Murray proposed that the debate should take place when he heard Sir Geoffrey Howe, the Chancellor, report to the last Council meeting after he returned from the International Monetary Fund meeting in Belgrade.

Prior warning, Back Page

Fed fears new money supply error

BY DAVID BUCHAN IN WASHINGTON AND DAVID LASCELLES IN NEW YORK

CONFUSION OVER U.S. money supply figures dealt a hard blow to bond and money markets yesterday after Mr. Frederick Schultz, Federal Reserve vice-chairman, told a Congressional hearing in Washington...

Documents given to the House of Representatives Banking Committee said an \$800m downward revision in banking data for the week ended October 17 will probably be necessary because of a fresh error by the Manufacturers Hanover bank.

Banking data is used to compute the money supply, which in turn is a major guide to the credit markets. Major bond issues were down as much as a point by noon, and short-term interest rates were up.

Mr. Schultz and other Fed witnesses were summoned by the banking committee to explain the major accounting error which led the Fed to revise downwards its estimate of the country's money supply for the two weeks to October 10 by \$3.7bn.

Manufacturers Hanover mistakenly over-reported its figures in that period. The confusion after the first error and the widespread belief that the money supply was still not curbed despite the Fed's sweeping credit tightening earlier in the month led to extensive selling in the money and bond markets, which hit a peak on October 19.

Mr. Henry Reuss, the banking committee chairman, told the Fed officials: "Because the Fed, and portfolio managers around the world, base their current decisions at least in part on the latest weekly money supply statistics, it is important that the Fed have reliable statistics."

Congressmen agreed with Mr. Schultz that there was no evidence of any impropriety by Manufacturers Hanover, but nonetheless considered the investing public would be reassured by an investigation.

Kuwait considers increase in prices

By James Buxton in Kuwait

KUWAIT IS considering seriously making a further increase in the price of its crude oil, Sheikh Ali Khalifa Al Sabah, Oil Minister, said yesterday. It would do so to restore the differential on the price of Kuwaiti crude in relation to the prices charged by other producers.

Kuwait raised the price of its crude by 10 per cent to \$21.43 per barrel early this month to restore the differential with Iraqi and Iranian crude, to which the price of Kuwaiti crude has traditionally been related.

But the result was a further round of price increases by other oil producers which had the effect of eroding the differential Kuwait sought to restore.

Sheikh Ali Khalifa said: "We haven't raised our price so far because we do not want to see more leap-frogging in the oil price."

But we cannot be the only one left behind. Certain countries are exaggerating the differentials with us and that is not acceptable."

He would not say by how much Kuwait would raise its crude price. Kuwait has contracts with its customers under which it can adjust the price to that enjoyed by the "most favoured seller" of comparable crude. It is producing about 2.2m barrels a day and its main customers are BP, Gulf and Shell.

Sheikh Ali Khalifa said: "Our problem is that with the current market situation spot prices are \$40 to \$5 a barrel. Under what circumstances, if someone wanted to buy a product at \$45 would you sell it to him for \$21?"

The OPEC countries had been moderate and responsible in the price increases they had imposed, he said, but "this responsibility is not recognised in the West and if it isn't recognised people here might say what the heck am I doing it for?"

He believed that a unified OPEC price would be agreed at the OPEC ministerial meeting in Caracas in December. This depended on a number of factors between now and then.

£ in New York

Table showing exchange rates for £ in New York for various periods.

EEC Fish Ministers avoid row

BY CHRISTOPHER PARKES IN LUXEMBOURG

THE COMMON MARKET Fishery Ministers yesterday sidestepped a widely predicted confrontation, and agreed instead on a new study of the evidence on fish stocks within the Community "pond."

The new moves were welcomed by Mr. Peter Walker, the British Minister. He said they gave him a chance of a fresh start.

"I am confident that with patience, we will have a good chance of reaching a fishing agreement sometime in 1980," he said.

M. Joel le Theule, the French Minister, suggested that the investigation should take account of social and economic factors as well as the bare statistics on the size and location of fish stocks.

The EEC Commission is to set up a working group, including national representatives as well as Brussels staff, to study new fish stock figures from the International Council for the Exploitation of the Seas.

The group will report to the Commission next month. It is hoped its findings will form the basis of new proposals for the reform of the Common Fisheries Policy in time for a meeting of the Ministers on December 3 and 4.

However, British fishing industry lobbyists at the talks claimed the new proposals took the debate back 10 years. Catch

quotas, set under the North East Atlantic Fisheries Commission in the years before the international acceptance of 200-mile fishing zones, have led to over-exploitation of stocks. Many vital fisheries have almost been ruined. These quotas had been based on scientific evidence, but were inflated by national demands to meet the claims of fishermen.

Mr. Poul Dalsager, the newly-appointed Danish Minister, commented that for the first time he saw "some reason" in the British approach.

Britain, with the longest coastline in the Nine and 60 per cent of all Community fish stocks in its waters, has consistently taken a hard line in fisheries talks, which have now dragged on for more than three years.

Its unilateral measures to prevent over-fishing of endangered stocks of herring and other species have angered other EEC members.

The French Minister has now agreed to see Mr. Walker for bilateral talks during the next few weeks. But Mr. Walker has insisted that British conservation measures were totally justified and legal. The claim to legality is currently being tested in the European Court of Justice.

Danish anger, Page 2 Mrs. Thatcher to visit Bonn. Back Page

Lamb truck stopped

BY SIMON HENDERSON IN CHERBOURG

BRITISH FARMERS' determination to confront French restrictions on lamb imports was neatly parried at Cherbourg yesterday when a solitary French policeman asked the truck carrying a consignment of meat to wait on the quay until an official came from 50 miles away.

The "media event" organised by the National Farmers' Union for a party of six Euro-MPs and a host of journalists was reduced to milling around a dozen French farmers opposed to importing the meat.

NFU fears of confrontation and possible danger to life and limb proved groundless. British Euro-MPs patiently gave radio interviews to French journalists and the demonstrators posed co-operatively for British television cameras.

French farmers were protesting that prices of imported lamb undercut their own product. The French Government was ordered by the European court of justice a month ago to abide by Common Market regulations and to allow the free import of the lamb. It has relocated to the extent of allowing in 200 tonnes per week. Yesterday's consignment of just 2 tonnes was an attempt to break this restriction.

Mr. Peter Walker, the Agriculture Minister, is due to argue the case for free lamb imports to France at a meeting with his European colleagues in Luxembourg today.

Even if the Cherbourg consignment is allowed to leave the port by then, it still could be turned back when it arrives at its final destination, a wholesale importer in Cannes.

Advertisement for Hyster forklifts, featuring the slogan 'Who else has...' and '50 years' materials handling experience'. Includes images of forklifts and contact information for Barlow Handling.

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Table of market data including Stock Markets (London, Wall Street, etc.), Exchange Rates, and various indices.

Go-ahead given for Rotterdam LPG terminal

BY CHARLES BATCHELOR IN AMSTERDAM

THE DUTCH Government has now go ahead, approval in principle for the siting of an LPG terminal in the Rotterdam area was essential for the two companies, he said. Only Rotterdam has the infrastructure and allied chemical industries to make use of the LPG once it is brought ashore. A report on the impact of an LPG terminal compiled by an official work group representing the local authorities of Rotterdam, the Rhineland and the province of South Holland, has come out in favour. It concluded that it would be an important stimulus for the area and would create new jobs. The terminal would lock into the pipeline distribution network of the Rotterdam area which would make for the safe transport of the LPG throughout the Netherlands and to neighbouring countries.

The local authorities which must still give approval for the terminal on environmental grounds, said they hoped to take a decision within the next six months. The safety report is expected later this year.

BP and Shell plan to build a new harbour for LPG tankers of up to 75,000 cubic metres capacity, as well as onshore storage tanks with 150,000 cubic metres capacity on a site already owned by BP in the Europoort area near the mouth of the Maas estuary. Initial capacity of the terminal would be 2m tonnes a year, rising to 4m-5m tonnes. The LPG is intended primarily for use as a petrochemical feedstock.

Bad winter aggravates Dutch investment decline

BY OUR AMSTERDAM CORRESPONDENT

INVESTMENT BY Dutch industry and by the Government fell in the first half of 1979 compared with the same period in 1978, according to Central Statistics Office figures.

The decline suggests that even the modest forecasts made for investment for the year as a whole may not be met.

Spending by private and public sectors in volume terms, fell 5 per cent. While investment increased in the second quarter by 10 per cent, this was not enough to compensate for the effects of the severe winter, which depressed spending levels by the building industry in particular in the first three months.

Investment by the construction industry in the first half of 1979 was 14 per cent down

Italians shocked by rocket murder at football match

BY RUPERT CORNWELL IN ROME

THE FIRST murder of a football spectator in Italy, at the Olympic stadium here, has produced turmoil extending beyond the confines of the country's multi-million-pound football industry.

Sig. Vincenzo Paparelli was struck at the weekend by what is believed to have been a rocket used by farmers for hall dispersal to protect fruit crops, just an hour before the start of a vital derby match between the capital's two first division teams, AS Roma and Lazio.

The missile, for which a cumbersome hand-held launcher is required, was fired by Roma supporters 300 yards away at the opposite end of the stadium. Another was also fired but landed outside the ground, not far from the Foreign Ministry building.

The case was at once treated by police as one of murder, and they yesterday named a suspected youth. This did not prevent calls

for a ban on all matches in "dangerous" grounds until security measures have been improved.

The suggestions were dismissed by Sig. Luigi Petroselli, Rome's new Communist Mayor, but he urged greater collaboration between local authorities and supporters' clubs. Some politicians yesterday expressed alarm at the possible harm to Italy's international sporting image.

Given the increasing violence in so much of Italian life, including football, it is perhaps surprising that such an incident has not happened already.

Hooliganism and vandalism are today as much a part of league soccer in Italy as they are in Britain. The role of football in national life can be gauged from the space—anything up to six full pages—devoted to it every day by even the most serious newspapers, often in florid and blood-curdling terms.

Today the major soccer

stadiums, especially in Milan and Rome, are urban battlefields on Sunday afternoons, complete with exploding flares, smoke-bombs and an arsenal of weaponry.

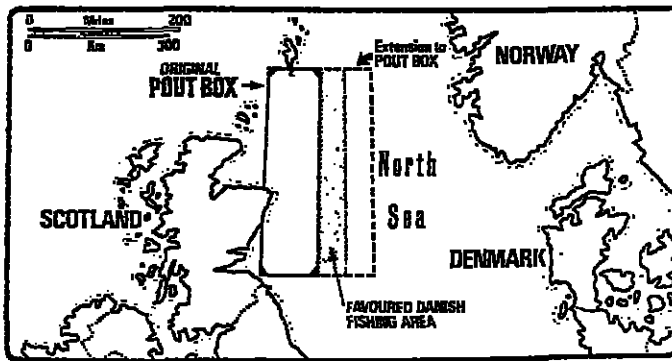
As the violence has increased, the quality of the entertainment has diminished. Among Italian football clubs, weighed down by an estimated L150m (150m) of accumulated debt, the fear of losing has become paramount. Goals have become almost a collector's item. The scoring rate is the lowest in Europe and the first day of the 1979-80 first division season produced just seven goals. Seven of the eight matches were draws.

The risk now is that the spectators, whose support has held up remarkably well, may begin to stay away. But even the murder of Sig. Paparelli may not have been entirely in vain if it helps to produce an overdue reappraisal of the football business in Italy.

NORTH SEA FISHING DISPUTE

Danes angry at Britain's 'high-handed action'

BY WILLIAM DULLFORCE IN COPENHAGEN



MR. SVEND JAKOBSEN, Denmark's Fisheries Minister until he became Finance Minister last Friday, has impassioned views about British fishing policy. He says it is "totally unreasonable." In his view, any movement towards a common EEC fisheries policy at the present Council of Fisheries Ministers meeting in Luxembourg means Mr. Peter Walker, the British Minister, must show willingness to modify Britain's current position.

Mr. Jakobsen's remarks, in an interview with the Financial Times, illustrate the state of play between the EEC's two largest fishing nations. Danish fishermen catch more fish, but the larger part is reduced to fishmeal and oil. The British catch, mostly edible fish, has a considerably higher value.

The difference in the type of fishing lies at the root of the two countries' quarrel over the "Norway pout box" off Scotland. Britain's unilateral ban on fishing for Norway pout in this area is one of the fishery matters on which the EEC Commission has taken it to the European Court of Justice.

Britain's case is that the small-mesh nets used by the Danes in catching Norway pout also take up edible fish, mostly haddock and whiting, which are still in the growing state. These so-called bi-catches are undermining the stocks of edible fish in the area.

Denmark is not arguing against the need to conserve stocks of fish for human consumption, Mr. Jakobsen stresses. But it does dispute the reasoning behind Britain's total ban on the fishing of Norway pout. And it objects to Britain's high-handed action "over" an issue

which should have been dealt with on a Community basis. At various times the Danes have offered to adjust their fishing practices to meet British concerns for the conservation of edible fish. They have offered regulations limiting the bi-catches of edible fish to 10 per cent of the total catch. And because in many areas of the box the edible and "industrial" fish are found at different depths, they have declared their willingness to restrict their boats to fishing within these areas.

But the offers have elicited only a stone-wall reaction in London. After Britain renewed its ban on fishing in the pout box from October 1, Danish fishing vessels lined the border of the box, ready to move in, while the fishermen's association in Copenhagen sought Government agreement to pay any fines imposed by the British and compensation for confiscated equipment. The EEC tottered on the verge of a civil war. The Danish authorities backed off and instead offered their fishermen compensation in the form of subsidies to render profitable the catching of other types of industrial fish. The amount of the compensation has not been specified.

The Danish Fisheries Ministry estimates that the pout catch lost through the British ban is of the order of 100,000 tonnes. At current prices that would be worth between Dkr 50m and Dkr 60m (£4.5m to £5.4m). It is unlikely, however, that the Danish fishermen can find alternative sources to feed the fish reduction plants. In that case their Government will offer to finance the laying-up of boats for the winter. This is not satisfactory to the fishermen because it covers only the cost of keeping the boats idle, and does not compensate them for lost earnings.

But subsidies and compensation provide no solution to the fundamental dilemma caused by

the British ban. The winter fishing for pout within the box is an integral part of the economics of the Danish west coast industrial fishing operations.

During other seasons the boats catch sand eels and sprats to feed the reduction plant. But stocks of these fish do not permit a year-round toll. Prices for fishmeal and oil fluctuate, usually in line with soya bean prices. But the operation is not profitable, unless the boats can fish throughout the year.

Mr. Jakobsen calculates that some 3,000 Danes are directly affected by the pout box. Expressed in landing prices the total Danish fish reduction operation was worth about Dkr 850m in 1978. Exports of fishmeal and oil brought in some Dkr 1.2bn, of which a quarter came from sales to Britain and roughly the same amount from West Germany.

Danish tempers have not been improved by their failure this month to get their own EEC Commissioner, Mr. Finn Gundelach, to seek an injunction from the European Court ordering Britain to lift its ban while the pout box issue was under consideration. This left them with no other recourse than to await the Court's judgment.

Danish policy as outlined by Mr. Jakobsen now has three aims. First, to have the pout box opened, assisted by a judgment from the European Court. Second, to ensure that the EEC common fisheries policy, when finally formulated, includes a procedure for dealing with new situations which would prevent unilateral action by any one of the nine.

The third aim is to obtain a division of the EEC's fish resources incorporating recognition of historical fishing rights. Denmark recognises the damage done to British fishing by the world-wide switch to the economic zone principle and believes the distribution of quotas within the EEC should offer Britain some compensation. But it believes this should not be done to the extent of almost doubling its historical catch

Warnings sounded on Denmark's borrowing

BY HILARY BARNES IN COPENHAGEN

DENMARK IS approaching the economic abyss, according to Mr. Knud Heinesen, who resigned as Finance Minister last week.

In a television interview at the weekend he explained that, by this, he meant that in two or three years time the terms on which Denmark can borrow abroad may become prohibitive and it will then be necessary to go to the IMF, which will lay

down terms for assistance. Concern about borrowing has also been expressed by Mr. Erik Hoffmeyer, governor of the central bank, who said in an interview that the country's ability to borrow abroad on normal terms could be endangered if action on the economy is not taken by Christmas.

The Government, he said, should aim to reduce the balance

of payments deficit by Dkr 3bn to Dkr 4bn (£265m-£354m) in 1980 compared with the deficit this year of about Dkr 13bn (£1.15bn).

The Social Democratic minority Government which took office on Friday following last week's election is aiming to introduce a comprehensive incomes policy, probably including a freeze on prices, wages and other incomes.

Mr. Heinesen has denied that it was policy differences that caused him to refuse to serve in the new Government. He said that after five years as Finance Minister he wanted a change.

He has been appointed to the influential post of chairman of the Social Democratic parliamentary group.



Mr. Knud Heinesen

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مكزامن التجميل

EUROPEAN NEWS

Basque general strike in protest at murder

BY ROBERT GRAHAM IN MADRID

THE BASQUE country was paralysed by a 24-hour general strike yesterday. Called by the main trade unions in protest at the assassination on Saturday of a Socialist union member, it has served to emphasise the widespread rejection of violence.

Responsibility for the assassination was claimed by an "autonomous" commando of the militant Basque separatist group ETA. But there is now some doubt about the authenticity of this claim.

The dead trade unionist, Sr. German Gonzalez Lopez, was a member of the General Workers Union. He was killed in Guipuzcoa province by two youths only two days after the referendum on Basque autonomy had endorsed the Madrid Government's plan for the region. It was the first terrorist killing in 10 days, and produced immediate protests and concern among Basque political parties.

ETA has normally confined itself to attacking symbols of central Government authority, especially the military, and suspected informers. Occasional

cases of assassination by ETA have been attributed to specific antagonism.

Because the ETA claim was issued to news agencies and because of an apparent change in tactics, there are fears of a new virulent campaign directed against those who approved the autonomy statute. Sr. Gonzalez had campaigned in favour of it.

The unions have reacted quickly to demonstrate their hostility to this eruption of violence, this time directed against their own members.

As the strike was being staged yesterday, the political-military wing of ETA, which supported the autonomy statute, claimed that it was not the type of action carried out by ETA. He insisted that the killing was designed to alienate the Basque Left and working class from ETA.

Either way, the assassination has underlined the delicacy of the situation in the Basque country even though a majority has endorsed autonomy through a referendum.

One theory canvassed yesterday was that the murder

showed up splits within ETA and that it was the work of a disaffected commando. There is little doubt that the value of continued violence is being debated within ETA. With the prospect of the Basque region being able to establish its own police force, the terrorists are aware that there could be clashes between Basques.

During the referendum campaign there was a noticeable drop in the level of violence. In part, this was attributed to increased police vigilance; but it also appears that ETA realised the negative consequences of such action.

ETA itself is an increasingly heterogeneous grouping. The military wing has been mainly responsible for assassinations until now. The political-military wing split last summer after the central government negotiated the text of an autonomy statute with Basque parliamentarians.

In addition to these two factions, there are believed to be a number of "autonomous" commandos whose allegiance is uncertain.

Unemployed may double in France by 1985

By David White in Paris

PUBLIC UNEASE about job prospects in France has been increased by an official study suggesting that by 1985 unemployment might be about 2.5m, almost twice the current level.

This figure is drawn from a series of hypotheses put forward by INSEE, the Government's statistics office.

The various scenarios, differing according to oil price developments and the forcefulness of adjustment measures, are being used as a basis for committee work on the 1981-85 national plan.

A fairly sharp increase in unemployment is contained in all of them. In the best case, the number looking for work would increase by 70,000 a year and in the worst case by 150,000.

The study assesses the impact of economic strategies in either "favourable" or "unfavourable" international contexts.

The favourable context implies basically that oil prices keep in line with inflation, the unfavourable that they increase by 7 per cent a year in real terms.

The two broad lines of economic policy are "adjustment"—on the lines of the present Barre plan—and a profounder structural adaptation, which would mean increases in public and private investment, shorter working hours, and reduced dependence on energy imports.

The first policy approach would lead to an annual economic growth in 1978-85 of 2.9 per cent in the better case and 2.5 per cent in the worse case. The second approach would push these rates up to 3.2 per cent and 2.7 per cent respectively.

With the less vigorous adjustment policy, inflation would slow down after 1981, and consumer prices would rise at an average annual rate of 6.2-6.5 per cent.

The trade performance is seen as moderate, the cost of energy being offset by a surplus on services. Investment, however, is expected to remain weak, picking up only after 1982.

IMPACT OF EEC AGRICULTURE PAYMENTS GROWS Bonn's budget contribution falling

BY JONATHAN CARR IN BONN

WEST GERMANY's net contribution to the European Community budget so far this year is running well below that of 1978, according to Bundesbank figures. This is due mainly to increased West German receipts under common agricultural policy (CAP) regulations.

The statistics go some way to show why Britain will overtake West Germany next year as the biggest net contributor to the EEC unless action is taken to avoid this. The topic will be discussed in the British-German summit consultations which start here tomorrow between

Mrs. Margaret Thatcher and Chancellor Helmut Schmidt.

The figures show that in the first eight months of this year West Germany paid a total of DM 8.1bn (£2.08bn) to the EEC and received DM 5.9bn (£1.52bn) from it—a net contribution of DM 2.2bn (£567m). In the same period last year the West Germans paid DM 7.4bn (£1.8bn) and received DM 4.7bn (£1.21bn)—a net contribution of DM 2.7bn (£695m).

This continues a pattern over the years in which larger West German gross contributions to the EEC have been paralleled by even bigger receipts via the CAP, notably for finance of sur-

plus production in the milk sector.

Between January and August this year, West German receipts under the CAP totalled DM 5.2bn, just over DM 1bn more than in the same period of 1978. For the whole of 1978 these receipts totalled DM 7.2bn, compared with DM 5.7bn in 1977.

The Bundesbank figures differ somewhat from those issued by the Bonn Finance Ministry, party because of time differences in compiling the statistics. But both show a sharp drop in the country's net contribution to the EEC from 1977 to 1978, and both agree that the impact of

the CAP is largely responsible. In contrast, Britain, with its relatively small farming community, relies greatly on food imports, and has continued to take much produce from outside the EEC, notably from Commonwealth countries. These third-country imports are subject to levies which must be paid to Brussels.

There is evident private embarrassment within the Social Democrat element of the coalition government in Bonn at the impact of the CAP on the West German contribution. This feeling has also spread to strong elements within the other coalition party, the Free Democrats.

Giscard breaks with past in Berlin visit

BY LESLIE COLTIT IN BERLIN

A STATE visit to West Berlin of dual significance was made yesterday by M. Valéry Giscard d'Estaing, President of France.

He became the first French Head of State to set foot in Berlin since Emperor Napoleon I entered the conquered city in 1806 after crushing the Prussian army.

President Giscard also broke with the refusal of every post-war French President to become personally involved with the former capital of the German Reich when he arrived at Tegel Airport.

Speaking in German in front of the borough town hall of Wedding in the French sector, President Giscard called West Berlin a "bastion of liberty." He also reviewed several thousand French soldiers serving in the city, 110 miles inside East Germany.

The French President reaffirmed his country's commitment to West Berlin together with its allies in the city, Britain and the United States. He said France would resist any attempts to alter unilaterally the 1971 Four-Power Berlin Agreement between the Western allies and the Soviet Union.

Herr Helmut Schmidt, the West German Chancellor, accompanied the French President in Berlin for several hours, reflecting the close ties between West Berlin and Bonn, although the allies have supreme authority over the city.

Chancellor Schmidt looked on as President Giscard signed the city's golden book which contains the signatures of almost



President Giscard at a memorial near the Berlin wall for an East German refugee killed while trying to escape.

De Larosiere caution on flexible exchange rates

BY ROBERT MAUTHNER IN PARIS

FLEXIBLE EXCHANGE rates do not insulate economies from each other, nor lessen the need for basic economic policy adjustments, M. Jacques de Larosiere, managing director of the International Monetary Fund, said yesterday.

In spite of the widespread floating of currencies, he said, it was clear that the world's economies continued to be highly interdependent.

Even in the absence of "dirty" floating, which resulted in monetary flows from one economy to another through central bank intervention, there were several reasons why flexible rates could not fully insulate a domestic economy from external influences.

M. de Larosiere was speaking at a foreign exchange conference organised by the International Herald Tribune and Forex Research. He said that one of the main reasons was that, in a large number of cases, changes in nominal rates had

been offset by inflation differentials. This limited real exchange movements.

For most devaluing or appreciating countries, it took a year or more before a noticeable change occurred in their real trade balance, and a much longer period might be required to achieve the full result of a change in the exchange rate.

In, during this period, the relative cost improvement in devaluing countries was eroded by domestic inflation, while the relative cost deterioration in appreciating countries was dampened by reduced inflation rates, then the full effects of the exchange rate change would not come through. The need for basic policy adjustments remained, therefore.

The high level of external trade in relation to domestic production in many countries was another reason why flexible exchange rates could not entirely insulate economies from each other.

Manning row halts Belgium steel plant

By Our Brussels Staff

HOT STEEL production has stopped at Belgium's largest steel maker, Cockerill, after a dispute over manning an internal railway system at the company's plant in Liege. The company has temporarily laid off 5,000 workers.

Unions called a halt to work yesterday when management refused to replace the automatic pilots on the trains with mechanics, following two accidents in which no one was hurt.

A proposal from management to man the trains temporarily until the safety of the automatic equipment is assured has been put to the unions. But they want a permanent two-man team on each train, a driver and a coupler.

Although Cockerill—29 per cent owned by the State—has had to shut down its furnaces, officials claim that production of crude steel is unaffected by the action.

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OVERSEAS NEWS



A Korean tank stands guard in front of the Capitol building in Seoul following the assassination of President Park.

U.S. task force off S. Korea

SEOUL—A United States naval task force cruised off the Korean peninsula yesterday to deter North Korea from taking advantage of the assassination of South Korean President Park Chung-hee.

South Korean military chiefs and senior cabinet ministers met to discuss the situation on the border with North Korea after the death of President Park, who was shot on Friday by his intelligence chief, Kim Jae-kyu. There have been no official reports of tension along the 150-mile border, but martial law has been declared and South Korea's 600,000-strong armed forces are on emergency alert.

Military officers in Japan said that a powerful U.S. naval task force, including the 31,000-ton carrier Klityhawk with about

90 attack aircraft, was cruising in international waters in the East China Sea off South Korea. The carrier was escorted by three guided missile cruisers, three destroyers and a frigate, they added.

Immediately after the death of President Park, who had ruled South Korea for 18 years, the U.S. put on alert its 38,500 troops stationed in the country. Mr. Harold Brown, U.S. Defence Secretary, said yesterday that the U.S. had strengthened its military forces in and around South Korea to deter "external interferences or adventurism."

David Housego adds: North Korea's official party newspaper Nodong Sinmun described the shooting of President Park as a reflection of the increasingly

serious social and political crisis in South Korea. It summed up his career by saying he had suppressed students and democratic representatives at bayonet point and had persecuted and murdered his opponents on the pretext of anti-Communism.

A semi-clandestine radio station called on South Koreans to overthrow the new regime and force the withdrawal of U.S. troops. The "Voice of the Revolutionary Party for Reunification," believed to broadcast from within North Korea, called President Park's death "fitting punishment" for his crimes. AP writes: China's leading newspaper, the People's Daily, suggested yesterday that the South Korean armed forces

might be "protecting" Kim, who is in their custody. Noting that Kim "escaped unscathed," it said: "Later he was only dismissed from his post and detained by the military control authorities. Some political figures regarded this as an action aimed at protecting him."

The newspaper also said some observers in Seoul "regarded it as a palace coup" which had something to do with the political upheaval in South Korea. South Korea has been rocked by anti-government disturbances in recent weeks which reportedly caused serious tensions within the Park regime. But the Government claimed that Kim shot President Park because he had fallen out of favour with the President and feared losing his job.

Ohira move in squabble over Japan leadership

By Richard C. Hanson in Tokyo

MR. MASAYOSHI OHIRA, the Japanese Prime Minister, appears to have cleared the way for some kind of resolution of the bitter factional squabbling within the ruling Liberal Democratic Party (LDP) over whether he should resign because of the party's poor showing in the October 7 Lower House election.

It is highly unlikely, however, that a compromise can be reached in time for the first meeting of a special Diet (Parliament) session to be convened today in Tokyo to elect a new Prime Minister.

Mr. Ohira yesterday offered Mr. Eiichi Nishimura, the LDP vice-president, what he called a "carte blanche" to expedite the task of mediating with faction leaders seeking to oust him. This "carte blanche" could, but does not necessarily, include his resignation from the dual position of party chief and Prime Minister. Mr. Ohira said he would accept whatever judgment was reached.

Mr. Takeo Fukuda, the former Prime Minister (who was defeated by Ohira for party leadership last year), is leading the oust Ohira drive, along with factions headed by Mr. Takeo Miki, another ex-Prime Minister, former party secretary-general, Mr. Yasuhiro Nakasone.

Mr. Ohira's support rests on his own greatly strengthened faction and that of his closest ally, for the moment, ex-Prime Minister Kakuei Tanaka.

It is not clear when a vote will finally come on the Prime Minister's post, or for that matter how long the session will last.

Begin denies he plans to quit as crisis grows

BY DAVID LENNON IN TEL AVIV

ISRAEL'S Prime Minister, Mr. Menachem Begin, who is facing two crises threatening his Government, denied yesterday he was considering resigning.

The latest crisis was brought on by the resignation last week of Mr. Moshe Dayan, Israel's Foreign Minister, and a Supreme Court order to dismantle a Jewish settlement on the occupied West Bank.

Mr. Begin is encountering difficulty in reshuffling his Cabinet portfolios, but the greater threat to his coalition Government is the looming clash with the Jewish settlers who say they will fight any attempt to move them.

Prof. Yigael Yadin, Deputy Prime Minister, yesterday rejected an invitation from Mr. Begin to take over the Foreign Ministry. It would be unethical for him

to assume a post in which he would have to defend Government policies with which he disagreed, he said. He was referring specifically to the issue of Jewish settlements in the occupied territories.

After their meeting, Mr. Begin admitted the Government was in a "complicated" situation, adding that he was not certain the reshuffle could be completed by the end of this week as demanded by the Liberal Party.

Despite the air of crisis surrounding the reshuffle, it is thought unlikely that the coalition parties will risk elections now when their public popularity is at its lowest ebb.

The greater threat to the coalition remains the need to find a way quickly to implement the Supreme Court order to remove the Elon Moreh settlement on the West Bank without

this developing into an armed clash with the settlers. They have rejected suggestions that they move to another site.

The settlers refused to meet last night to plan their response to the Government's rejection of their demands for new legislation which would enable them to remain, despite the Court ruling that they must return the hill they occupy to its original Arab owners.

Mr. Ezer Weizman, Defence Minister, and Mr. Ariel Sharon, Minister in charge of settlements, met yesterday to try to find a way to resolve the problem peacefully.

This was one of the rare meetings between the two Cabinet strong men who disagree over settlement policy. No details of their discussions were immediately available.

Environment row in Australia

BY PATRICIA NEWBY IN CANBERRA

THE AUSTRALIAN Government has come under attack from the Labor Opposition and conservation groups over reports that it plans to water down environmental protection legislation.

Documents leaked to the Press in the past week from Civil Service departments show support within the Government and the Civil Service for the view of the mining industry that environmental matters should be left to State governments.

The mining industry feels that the Environmental Protection Act leads to duplication, unnecessary expense, and delays. The Act, introduced during the Labor Government in 1974, empowers the federal Government to call for statements on

the environmental impact of proposed projects, particularly in mining, which are likely to have an adverse effect on the environment.

The preparation of these statements could involve a public inquiry lasting some months resulting in possible restraints and even a total ban on proposed projects.

Although environmental impact statements have not been called for since 1975, the threat of Federal Government action in the area of environmental protection has been a thorn in the mining industry's side.

Opposition to proposed changes largely centres on the inadequacy of state legislation to protect the community's interests on environmental

matters. Parliament's Joint Standing Committee on Environment and Conservation noted recently that only one state, Victoria, has comprehensive environmental legislation.

The committee recommends that legislation should not be amended in a way that would preclude study of proposed projects by the Federal Government.

It says that development of petrochemical plants and aluminium smelting is of sufficient size and cumulative effect to warrant public inquiry.

In the documents leaked this week, it is suggested that projects involving foreign investment should no longer fall within the scope of the Environmental Protection Act (EPA).

Such projects should be scrutinised by the Foreign Investment Review Board at the time of initial proposals and subsequently by the state in which the development is to take place.

Mr. John Howard, the Treasurer, is quoted in leaked departmental correspondence as saying: "There seems to me to be no compelling reason for aspects of foreign investment to be subject to the EPA."

The Government is still considering the legislation.

Iran resignation highlights growing government split

BY ANDREW WHITLEY

DEEP AND growing divisions within the Iranian Government came out into the open yesterday with the resignation of Dr. Kazem Sani, the Health Minister.

Dr. Sani is head of a small, radical Islamic party known as JAMA. Its withdrawal from the administration leaves Dr. Mehdi Bazargan, the Prime Minister, with few allies outside the clergy.

In a bitter resignation letter, Dr. Sani told Ayatollah Khomeini the Cabinet was divided among power-seeking factions and lacked concerted policies to tackle the country's problems. The letter also focused on the popular disillusionment that eight months after the revolution, little had changed.

As if to demonstrate the lack of authority prevalent in Iran, even at the highest level, an Islamic court in the oil province of Khuzestan yesterday sentenced a man to death on

charges of homosexuality and robbery. Ten days ago, Ayatollah Khomeini had ordered a halt to all executions until further notice.

Within days of the order being promulgated, eight Arabs were shot by firing squad in Khuzestan after being accused of involvement in the recent spate of pipeline bomb explosions.

In Tehran, the belated start of the academic year has seen a return of Left-wing demonstrations after an absence of nearly three months. They took place despite strong warnings from the clergy and the Government against "trouble-making."

The active involvement of the Left in the Kurdish fighting was acknowledged publicly for the first time yesterday. Members of the Marxist Fedayin-e-Khalq guerrilla organisation were said by Kurdish rebels to have helped them, by surrounding a barracks occupied by the paramilitary Revolutionary Guards.

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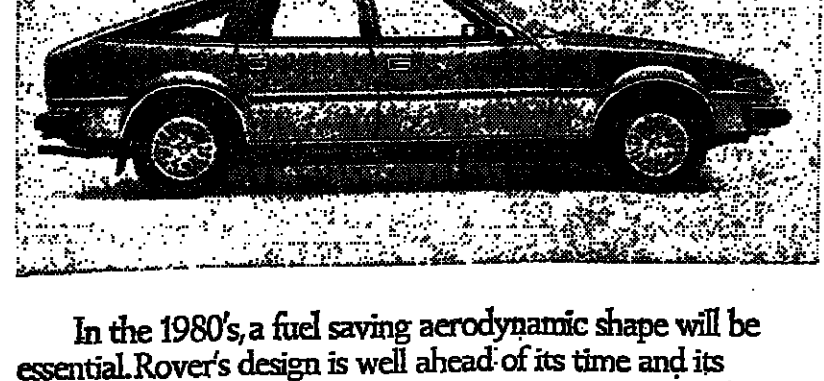
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WHAT SHAPE WILL YOUR CAR BE IN FOR THE 1980's?



More economical shape

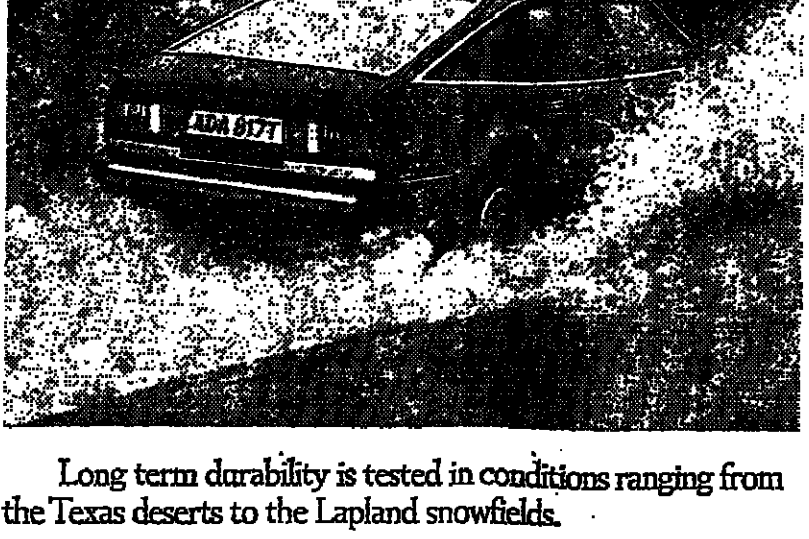
The motoring times are changing fast. Most of the big saloon cars designed for the '70s are beginning to look decidedly inefficient and out of date. With four notable exceptions. The new Rovers—2300, 2600, 3500 and V8S—were designed for the 1980's from their very conception, with a unique combination of high performance, high quality, outstanding design and quite exceptional fuel economy.



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Better shape

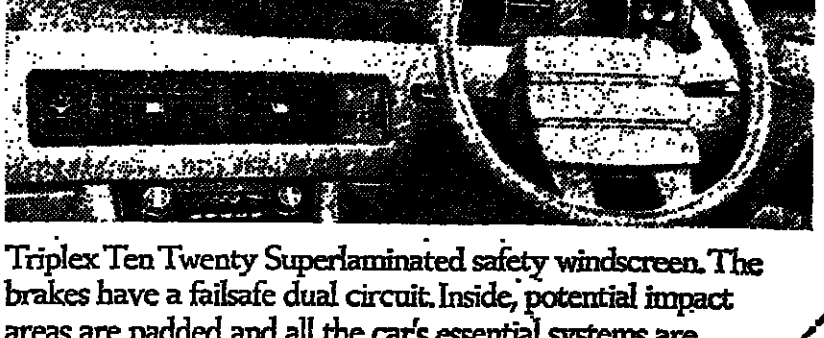
The 1980's will demand better built, longer lasting cars. Every Rover passes through a succession of the most stringent quality control checks known in the car industry. The paint and protection process alone is one of the most sophisticated in the world: 2 layers of anti-chip primer are electrostatically bonded to the body before 4 coats of thermoplastic, anti-fade paint are baked on.



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The 1980's will have their hazards. Today's Rovers are designed to protect you from them. They share a strong, monocoque body shell with impact absorption zones front and rear, and energy-absorbing compression struts in the door panels. The fuel tank is securely positioned in front of the rear axle and the system carries a fuel cut-out switch, to minimise accident fire risk. Every Rover is fitted with a



Triplex Ten Twenty Superlaminated safety windscreen. The brakes have a failsafe dual circuit. Inside, potential impact areas are padded and all the car's essential systems are monitored and displayed on the fascia.

The Rovers for the 1980's are obtainable now from your Rover showroom. A test drive will soon show you the difference between yesterday's car and tomorrow's.

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*Complete Government Fuel Consumption Figures, Rover 5-speed manual: 2300 urban motoring 47.5mpg (16.1 litres/100km), constant 56mph (90km/h) 36.8mpg (7.7 litres/100km), constant 75mph (120km/h) 31.0mpg (9.1 litres/100km), 2600 urban motoring 18.5mpg (15.3 litres/100km), constant 56mph (90km/h) 38.2mpg (7.4 litres/100km), constant 75mph (120km/h) 34.2mpg (8.1 litres/100km), 3500 urban motoring 16.2mpg (17.4 litres/100km), constant 56mph (90km/h) 36.3mpg (7.9 litres/100km), constant 75mph (120km/h) 27.9mpg (10.1 litres/100km), 5-speed gearbox optional on the 2300. Car shown features optional alloy wheels.

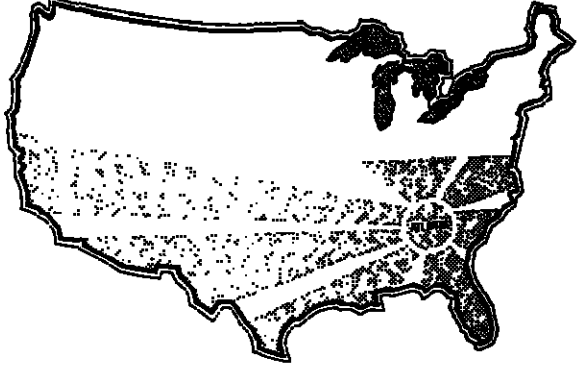
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Canadians may sell stockpiled uranium

By Victor Mackie in Ottawa

THE CANADIAN Government has ordered a study of the possibility of selling part or all of Canada's strategic uranium stockpile.

The stockpile, accumulated by the Federal Government when uranium prices were low in the late 1960s and early 1970s, contains an estimated 6.6m kg of uranium, worth an estimated C\$255m (\$255m) at current prices.

The Federal Treasury, under the proposed plan, would be able to add to general revenues the "profit" from the sale—perhaps C\$700m—if the "profit" can be considered as the difference between the sale price and the original cost of C\$100m.

The possibility of the Federal Government's putting stockpiled uranium on the open market at a time when supplies are long and prices could fall has worried domestic producers.

Inquiry set up into investment review agency

By Our Ottawa Correspondent

THE CANADIAN Government has announced the setting-up of two investigations into the role and effectiveness of the Foreign Investment Review Agency (FIRA).

The first study will be a 30-day evaluation of the agency's efficiency and operating practices.

Far more controversial is the second investigation, a political inquiry into the role foreign investment has played, and ought to play, in Canada's economic development.

Anti-nuclear protest on Wall Street

By David Lascelles in New York

MORE THAN 1,000 anti-nuclear protesters demonstrated in Wall Street yesterday—the 50th anniversary of the Great Crash of 1929—checking the streets and clashing with police. But the Stock Exchange opened on time, amid cheers from traders, who had run the gauntlet to get into the building.

Police arrested about 600 demonstrators, but there appeared to have been less violence than expected. Few injuries were reported.

Apart from disrupting traffic, the demonstrators tried to dissuade office workers from crossing police barricades to get to work. They also chanted anti-nuclear slogans and marched up and down the street with placards.

The demonstration was timed not only to coincide with the anniversary of the great crash, but also as a prelude to today's expected publication of the Kennedy Commission's report on the Three Mile Island nuclear accident.

Metal workers strike in Brazil

SAO PAULO — Thousands of metal workers went on strike yesterday in this industrial capital in support of pay demands.

Union representatives said 170,000 metal workers, about half the city's total, had heeded a strike call. But the regional labour office said only 30,000 failed to turn up for the morning shift.

The strike was declared illegal by Sr. Murko Macedo, the Labour Minister. Strikers now face dismissal without pay. Reuter

Fed tightening gets W. German backing

BY JONATHAN CARR IN BONN

A SENIOR West German official has voiced strong support for the latest U.S. measures to control inflation. He urges that they be maintained even though some critics feel the steps could generate a recession.

The unusually outspoken comments by Herr Manfred Lahnstein, State Secretary for Monetary Affairs at the Finance Ministry, clearly reflect the Bonn Government's admiration for the policies being pursued by Mr. Paul Volcker, the new chairman of the Federal Reserve Board, and the belief that, if maintained, these will help bring a sounder U.S. economy and a more stable dollar.

In a speech prepared for delivery yesterday to businessmen in Pittsburgh, Herr Lahnstein said that the West Germans had been impressed by the recent Fed decisions, taken at a time of political unrest and intense debate, and by the backing these had received in Washington.

Carter renews oil profits tax plea

BY JUREK MARTIN, U.S. EDITOR, IN WASHINGTON

PRESIDENT Jimmy Carter yesterday renewed his plea that Congress impose a tough windfall profits tax on the oil industry.

Addressing a regional "energy summit" in Providence, Rhode Island, he alleged that the version of the tax which passed the Senate finance committee last week was tantamount to "a trillion dollar giveaway" to the oil companies and that the stringent Bill which was approved by the House of Representatives in the summer was much more reasonable.

Mr. Carter's excursion to the heartland of his potential rival for the Democratic Party's presidential nomination, Senator Edward Kennedy of Massachusetts, was redolent with

political, as well as practical, overtones.

In the constant jockeying for the headlines, the President was clearly hoping to draw attention away from the announcement in Washington of the formal creation of an exploratory Kennedy campaign committee, to be headed by the senator's brother-in-law, Mr. Stephen Smith.

In terms of the reality of the energy problem, however, the real action in the next few weeks is centred on Capitol Hill, where various parts of the President's midsummer package are coming up for final deliberation.

The Senate itself could begin full debate on the windfall profits tax next week. Tomorrow

the House is due to vote on two Bills creating the Energy Mobilization Board to speed the development of synthetic fuels. The Senate will also this week try to determine whether the President has unilateral power to impose oil import controls.

On Friday the Senate is scheduled to consider competing Bills dealing with the nuts and bolts of synthetic fuels promotion and additional energy conservation.

The President's principal consideration in Providence, however, was the windfall profits tax Bill—and to reassure officials from the energy-scarce north-eastern States that there will be adequate supplies of home heating oil this winter. Previously the Administration had announced that its goal of

a 240m barrel stockpile had almost been achieved.

Last week the President promised to take "punitive" action against the oil companies if a satisfactory windfall profits tax was not passed, although he did not specify what he had in mind.

Yesterday he repeated that the Senate finance committee's Bill would give the industry at least \$574bn in unearned profits over the next decade, and that with escalating oil prices and inflation this could eventually reach the sum of \$1 trillion (million million).

"The third quarter oil company profits are adequate proof of the need for rapid passage of the windfall profits tax in a form acceptable to me and you," he said.

Louisiana poll won by Republican

By David Buchan in Washington

THE PROSPECT of a Republican Governor for Louisiana for the first time in a century was kept alive with the narrow victory of Mr. David Treen, a Republican Congressman from New Orleans, in Saturday's first-round primary election.

Mr. Treen won 21.8 per cent of the vote in an "open primary" which included eight Democratic contenders. Both Mr. Treen and the top Democratic contender, Mr. Jimmy Fitzmorris, the state's Lieutenant-Governor, who finished second with 20.6 per cent of the vote, will go through to a December 8 run-off election.

William Chislett reports from Mexico City on the future of a veteran union leader After Don Fidel, an intense power struggle

MEXICANS ARE currently engaged in one of their favourite pastimes: discussing whether Sr. Fidel Velazquez, the country's veteran union leader, who has controlled the labour movement for 35 years, will soon resign and so open up what is expected to be an intense power struggle for his successor.

The latest speculation has been sparked off by the award to Don Fidel, as he is known, of the country's highest civilian award, the Belisario Dominguez medal. Should this be seen as the culmination of his career, some wonder.

No other person in Mexico has been such a key figure in the complex political system for so long. Few union leaders in the world have enjoyed such power, except perhaps, for Mr. George Meany, head of the U.S. AFL-CIO, who announced his intention of retiring last month.

When the inch-grip of the union goes many people believe that the Government will no longer be able to exercise control over the unions.

This firm grip over Mexican labour dates from the 1910 revolution, when industrial workers supported the constitutionalist Carranza Government against counter-revolutionaries. The 1917 constitution enshrined the right to strike and other liberal principles, but very quickly the unions became firmly linked to the ruling Institutional Revolution-

ary Party (PRI). Don Fidel heads the Confederation of Mexican Workers (CTM), the grouping to which 5m of Mexico's 4m workers belong. The CTM is the backbone of the labour wing of the PRI.

With the same party in power for 50 years the relationship between government and unions has become incestuous. Top union officials are invariably rewarded for their loyalty with seats in Mexico's Senate or Congress.

Workers regard many of their leaders, whom they disparagingly call "charrros" (sell-outs), more as Government agents than representatives of their interests. The workers accuse them of blacklisting militants and rigging union elections in return for backhanders from employers.

Don Fidel has spent 58 years in the labour movement in different posts and has run the CTM since 1941, apart from a break of three years. During that time he has kept unions remarkably loyal to successive governments. By giving the private sector few headaches, he has helped it to become immensely rich.

He admits that workers have lost 60 per cent of their purchasing power over the last two years, as wages have not kept pace with inflation—last year consumer prices rose 17.5 per



Mexican workers have lost 20 per cent of their purchasing power over the past two years. One in three is unemployed or underemployed.

cent. Don Fidel also concedes that with Mexico's 3.5 per cent annual population growth rate (the population is now approaching 70m) and heavy migration to urban centres, one in three workers is unemployed or underemployed.

An agile, tall 79-year-old with silver hair and tinted glasses, Don Fidel dismisses the rumours that he will soon step down. In any case, no successor is clear.

"It is not just my wish," he said. "We have analysed the situation for the past year and

cannot reach any other conclusion. There are many people who can substitute for me, but not all want to assume the responsibility and not all have the necessary consensus."

His remarks underline the general feeling that President Jose Lopez Portillo would like Don Fidel to stay on—health permitting—until 1983, the end of the President's term of office.

To talk to Don Fidel in the library next to his office at the dilapidated CTM headquarters, packed with union bosses wait-

ing to see him, is to get a sharp insight into the pragmatic way in which he runs unions, and an equally sharp sense of history.

The library walls are lined with paintings of presidents back to the time of the nationalisation of the oil industry in 1938. On the surface he appears radical, calling the private sector "egoist, not concerned about the rest of the people and only interested in making higher profits."

At the same time he accepts that there will never be sufficient work in Mexico to stem the alarming level of unemployment, and recognises the need to moderate wage increases.

Yet he has not moved against the interests of the private sector, for there is an understanding that while he may attack them they will not criticise him.

When Don Fidel goes, the Government will move quickly to fill any power vacuum which might develop and to stop any move towards independence by unions.

"The system is in crisis," said Sr. Demetrio Valdejo, Mexico's best known trade union dissident, who spent 12 years in prison after he was elected leader of the railwaymen's union in 1958 over the heads of the "charrros." "The day will come when workers will say enough."

Clean petrol plan for Mexico

By William Chislett in Mexico City

PEMEX, the Mexican State oil monopoly, will introduce next year a new "anti-pollution" petrol based on alcohol in an attempt to clean up the poisoned atmosphere of Mexico City (population 14m).

The new petrol will only be on sale in the capital, which has an alarmingly high pollution level, and will cost 5.50 pesos (11 pence) a litre—37 per cent more than the present price of superior grade petrol and 96 per cent more than the ordinary grade.

The announcement was made by Sr. Jorge de la Vega Dominguez, the Trade Minister, at an oil convention in Acapulco. At the same time he said that the "era of cheap fuel is over," which has been interpreted as a hint that Pemex may raise its domestic prices next year.

Petrol and gas natural prices in Mexico are way below international prices. There has not been an increase in domestic prices in Mexico since 1973 as successive governments have subsidised prices to encourage industrial growth.

Privately, Government officials have talked for at least a year of raising domestic fuel prices, but as it is an unpopular measure, nothing has so far been done to implement a new policy.

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مكزامن التاجيل

How Sony brought the McDonald's hamburger safely across the Atlantic.



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Training their staff by U-matic has contributed to McDonald's success in Britain.

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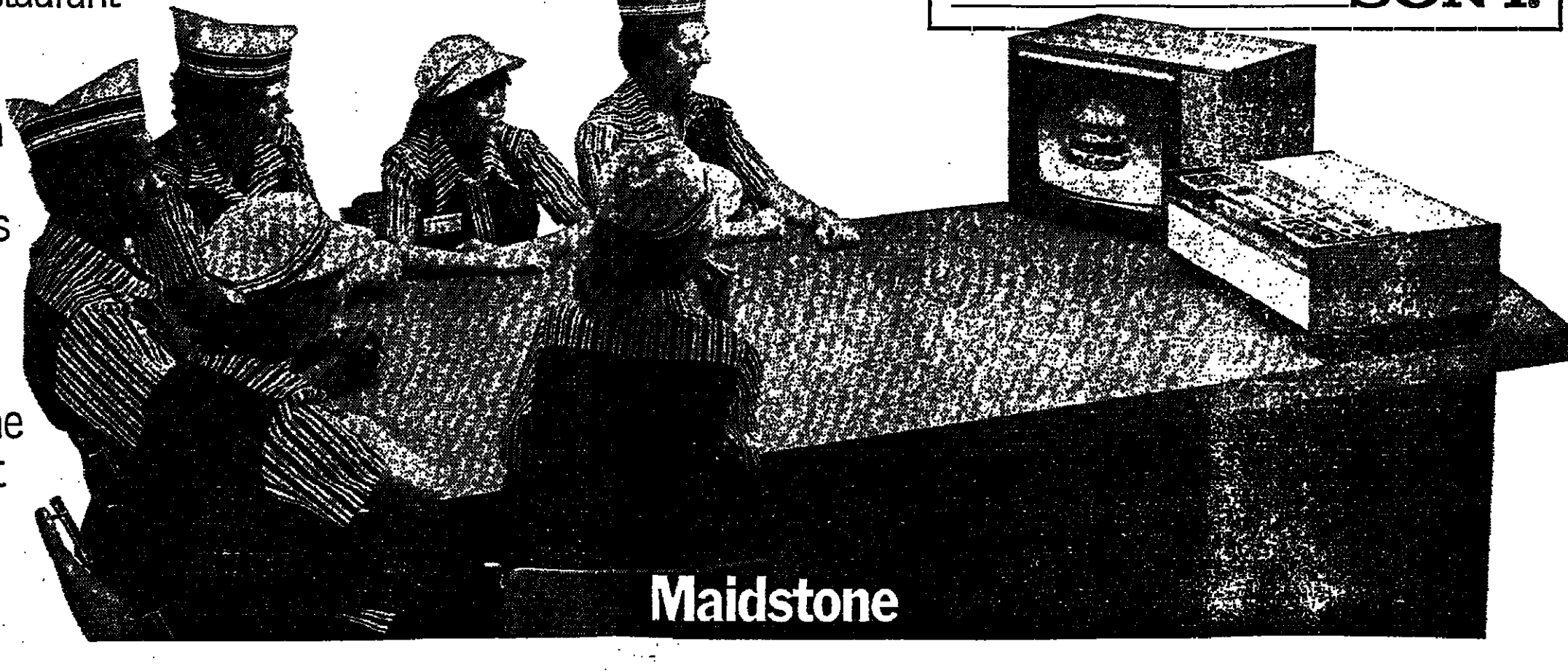
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WORLD TRADE NEWS

UK hopes for new surge in China trade

BY DAVID HOUSEGO, ASIA CORRESPONDENT

SINO-BRITISH trade has been expanding at a fast clip over the first nine months of this year...

first nine months of this year. Increasingly these are viewed by British industry as an attempt to get consultancy advice on the cheap.

The Chinese have also been encouraging British companies to undertake feasibility studies in China at their own cost and with no guarantee that equipment orders would follow as a result.

Both the lull in orders and the pattern of large numbers of technical missions are in line with the experience of other European countries.

An important factor exacerbating the slowdown is the apparent insistence of Peking that each Ministry must balance its foreign trade account. This puts an impossible burden on the major capital importers, such as the Ministry of Metallurgy, who do not have many products for export.

The whole question of compensation trade is something that British ministers will be anxious to raise with Chairman Hua and Vice-premier Yu Qiuhi, head of the State Planning Commission, who is accompanying him.

Britain has offered to help the Chinese develop their exports so as to expand their overall trade. Such assistance would take the form of providing courses for Chinese officials, for instance, on marketing, mounting trade exhibitions and appointing agents.

Next year it is expected that up to 30 Chinese officials will take up residence in London representing a wide variety of Chinese import and export corporations.

The Chinese are similarly expanding their commercial presence in other European capitals.

The types of British products that China is interested in are

British exports to China in the first nine months of this year climbed to £171m against £91m for the whole of 1978, giving Britain a favourable trade balance for the January/

February period. They have been used to finance existing contracts that they were to have paid for in cash. They are not, as yet, using the credit lines for new orders.

Britain has been closely co-ordinating with European governments to ensure that none breaks rank in granting the Chinese credit at rates below the 7.25 per cent minimum permitted under the OECD "gentlemen's agreement" on exporting to developing countries. There has been considerable anger in Europe at what is considered Japan's breach of the agreement by offering China cheaper rates under the guise of development aid.

It is by no means only the British who have grumbles at the present state of Sino-British trade. The China Features Agency, which prepares articles on China for distribution by the Chinese embassy, said on the eve of Chairman Hua's visit that this would provide a boost to the "sagging ego" of British businessmen.

While lavishing much praise on British industry it also quoted a Chinese official as saying that some British products were "not of good quality and are expensive."

Mrs. Qiu Shiqian, deputy chief of the British division of the Ministry of Foreign Trade, was quoted as complaining at the inflexibility of British companies and their reluctance to lower their prices in spite of the more competitive terms offered by their rivals.

Table with 4 columns: Date, Company, Contract, Value £m. Lists various contracts awarded to UK companies from Sept 78 to Mar 79.

reflected in the visits being made by Chairman Hua.

He will be seeing the Rolls-Royce plant and the British Rail technical centre at Derby, BP's headquarters and a farm in Oxfordshire.

There is a possibility of Chinese purchases of the European Airbus, in which British Aerospace has a 20 per cent interest, high-speed trains, offshore oil technology and agricultural expertise.

September period of £71m. But the volume of trade is expected to slow down next year reflecting the drop in new orders placed this year with British industry.

Though the Chinese have drawn down on some of the commercial credits they have lined up with the UK banks and are shortly expected to start using the £1.2bn ECGD guaranteed deposit facilities exten-

First British mission to visit Iran after revolution

BY ANDREW WHITLEY

THE FIRST British trade mission to Iran since the revolution last February is to take place next January. It follows a revival of prospects for foreign business in what was once Britain's largest market in Asia.

The mission is being sponsored by the Westminster Chamber of Commerce, one of the largest and most widespread Chambers in the UK, and one which has maintained links with Iran through a specialist group.

In the first six months of 1979 trade with Iran amounted to some £95m, a quarter of the level reached in 1977, but now appears to be on a rapid upturn.

According to the Westminster Chamber, up to 15 British companies are expected to take part in the 10-day trip to Iran which will include meetings with the main economic Ministries, banks and the Iranian Chamber of Commerce, Mines and Industry.

The Chamber sees particular business opportunities in the fields of industrial raw materials, chemicals and pharmaceuticals, vehicle spares,

electrical and mechanical equipment, food and consumer goods.

The new Government has embarked on a wide-scale food procurement programme from abroad. Despite promises on taking power that Iran's dependence on food imports would be reduced, estimates of the cost of the programme range up to \$8bn in a full year, greater than in the past.

Last week a major scandal broke over corruption in the Government trading organisation responsible for food imports. An inquiry has been ordered by Mr. Mehdi Bazargan, the Prime Minister.

Mr. Abol Hossein Nik-Khloq, the Deputy Commerce Minister responsible for the import programme, is reported to have gone into hiding after accusing his superior of involvement in irregularities.

Mr. Nik-Khloq had earlier been accused of deliberately diverting 200 aircraft from some 40 developed and developing countries are attending the conference which is scheduled to run until Wednesday.

the Iranian Government have required payment of substantial additional fees.

Mark Webster adds from Abidjan: M. Seri Gnoleba, the Ivory Coast Trade Minister, yesterday urged multinational companies to give developing countries greater access to their capital and technology.

Speaking at the opening session of a three-day conference of the International Chamber of Commerce here, Mr. Gnoleba said that with the help of foreign companies, developing countries would soon be able to encourage their own entrepreneurs.

The conference, the first to be held by the ICC in a developing country, was opened by the President of the Ivory Coast Mr. Felix Houphouët-Boigny. Its theme is the role of the entrepreneur and foreign companies in the development of third world countries.

More than 200 delegates from some 40 developed and developing countries are attending the conference which is scheduled to run until Wednesday.

Nigerian reprieve for Peugeot

BY TERRY DODSWORTH IN PARIS

THE NIGERIAN authorities have told Peugeot, the French car company, that it can continue to airlift components into the country for its assembly plant at Kaduna until the middle of next month.

This is the second time Nigeria has extended its deadline on Peugeot's air freighting system, which involves about 10 flights a week from France to Kaduna, in the northern part of the country.

The Nigerians have been demanding that the French

should establish a supply route by sea in order to use under-employed port facilities.

Talks have been going on for about two months between the Government, Peugeot Automobile Nigeria (PAN), in which the French company has a 49 per cent stake, and UTA, the French airline which flies the parts to Kano.

Peugeot said yesterday that whatever happens in the negotiations, it is confident that it will continue to supply the PAN factory and keep open its manufacturing facilities in Nigeria. The Nigerians are allowing

further flights so that the plant can stay in operation while talks continue.

PAN has been arguing that air transport is justified on the grounds of flexibility. Sea shipments, on the other hand, mean tying up stocks for longer periods and provide less certainty of prompt delivery.

For Peugeot, Nigeria represents an important outlet. The country is its third largest export market, taking about 25,000 cars a year for local assembly, and a number of direct exports from France—some 8,000 last year.

More Soviet oil for Italy likely

BY RUPERT CORNWELL IN ROME

INCREASED DELIVERIES of Soviet oil and natural gas to Italy and an increase in the current credit line of Rome to Moscow to \$1bn (£478m) from the present \$650m are likely to be the main features of the new trade agreement, to run until 1983, between the two countries.

Final details of the arrangements will be worked out during the present visit of Mr. Nicolai Patolichev, the Soviet Foreign Trade Minister, who leaves Rome tomorrow. An outline agreement, however, has already been signed by Mr.

Patolichev and Sig. Franco Maria Malfatti, the Italian Foreign Minister.

The terms broadly reflect the principle underlying other bilateral deals between Italy and oil-producing countries, the exchange of energy for Italian know-how, technology and industrial plants.

This time, Rome faces the added urgency of the need to correct the mounting trade imbalance between the two nations. While total exchanges are worth about Lire 4,500bn (£2.5bn) annually, Italy's

exports dropped 45 per cent by value in the first seven months of 1979, while Soviet sales to Italy jumped 31 per cent, mainly thanks to higher energy prices.

The likely enlarged line of credit, the terms of which have not been disclosed, is specifically intended to help finance a higher flow of Italian exports.

The first firm contract under the new agreement was signed over the weekend, for the supply to the Soviet Union of an acrylic fibre plant by the Sna Viscosa textile concern, for an overall value of about £71m.

Japanese car exports rise 17%

TOKYO—Japanese exports of assembled vehicles in September rose 12.8 per cent to 399,100 from 353,900 in August. This represented a 17 per cent increase from 339,900 a year ago, Reuter reports.

The September export total comprised 266,300 passenger cars, up 22.2 per cent from a year ago, 129,100 trucks, up 9.3 per cent, and 3,600 buses, down 3.5 per cent.

The September exports brought the cumulative export total in the first half (April to September) of fiscal 1979 to a half-year record of 2,200 up 3.8 per cent from 2,120 a year ago. The first half export value amounted to \$8,563m, up 10.5 per cent from \$8,023m in the same 1978 period.

By destination, exports to the U.S. totalled 1m in the first half of fiscal 1979, up from 909,400 a year earlier. Exports to the

EEC amounted to 340,700, up from 297,500 in the same period last year, including 113,000 to Britain, up from 84,800 a year ago, and 80,900 to West Germany, up from 56,700 a year before.

Export contracts concluded by 13 major Japanese trading companies in September rose by 61.5 per cent to ¥1.8 trillion (million million) (£3.6bn) from a year earlier, the Japan Trade Council reports.

Australia concession on UK tariffs

BY PATRICIA NEWBY IN CANBERRA

AUSTRALIA WILL extend until January 1, next year, existing British tariff preferences on about 500 items. But Mr. Douglas Anthony, the Australian Minister for Trade, said yesterday that the Government still intended to proceed with its decision to eliminate the anomaly where certain British goods enjoyed a margin of preference over developing countries.

Mr. John Nott, the British Minister for Trade, asked Mr. Anthony during a visit in September to extend the preferences to allow suppliers time to adjust production and stocks. Representations were also made by the Irish Government.

The items concerned are mainly footwear, textiles and clothing which compete with

imports to Australia from developing countries, particularly from the ASEAN (The Association of South East Asian Nations) region.

Mr. Anthony said the Government could not agree to Mr. Nott's request that goods on firm order or otherwise irrevocably committed be exempt from the new duties which are implemented.

Airbus orders near 400 mark

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

AIRBUS INDUSTRIE expects its total order book to top the 400 aircraft level within the next few weeks.

Yesterday's announcement by British Caledonian Airways of a firm order for three A-310s, with an option on another three, worth in all £136m, brings total orders and options for all versions of the Airbus to date to 379 aircraft.

Further orders are expected to be announced this week, including one from Martinair of Holland, and one from another European airline, while Airbus Industrie has outstanding "memoranda of understanding" with various European and other airlines for at least another 20 aircraft. It is also negotiating further orders, including some in the U.S.

The total order book of 379 aircraft so far is worth well over \$12bn (£5.7bn), of which orders for more than 300 aircraft, worth over \$10bn in 1979 prices, have been placed this year so far.

Mr. Bernard Lathiere, president of Airbus Industrie, said in London yesterday that the

present production rate of nearly three aircraft a month is to rise steadily, until it reaches 10 aircraft a month by 1984-85.

Along with this increase in production would be an increase in employment, with the current work-force involved on the aircraft of 17,000 rising to perhaps as many as 40,000.

The UK, through British Aerospace, has a 20 per cent stake in Airbus Industrie, building the wings for both the 250-seat A-300 and the smaller 200-seat A-310. "This year we have won 30 per cent of the total world market for airliners of all kinds," said Mr. Lathiere. "This means that within three years, we have grown to be the world's second biggest civil airliner manufacturer after Boeing."

Mr. Lathiere said that on the basis of the existing order book for 379 aircraft, Airbus Industrie can see total sales of more than 850 aircraft through the 1980s, and this will increase as new customers buy the aircraft. Airbus Industrie is now studying three new developments of the Airbus. One is a "stretched"

A-300, called the B-0, carrying 350 passengers over distances of 5,000 kilometres. The second is a long-range, four-engine aircraft, carrying 200 passengers over a range of 11,000 kilometres.

The third is a narrow-bodied 120-180 seat airliner, designed for short-to-medium ranges, for which a big market is foreseen through the 1980s.

Construction equipment

The table on leading U.S. companies on Page 2 of yesterday's survey on European construction equipment, contained errors affecting three companies. The correct figures for sales of construction equipment and total sales are as follows: American Hoist (cranes, hoists, road-making equipment), \$299m and \$439m; Euclid (dump trucks), \$212m and \$212m; Barber-Greene (road-making equipment), \$182m and \$182m.

Advertisement for Continental Bank. Features a world map and the text: 'THEORY: A top international bank must offer an extensive global network for truly comprehensive service. REALITY: Continental Bank has a global network of over 100 offices in 31 countries, including all major money markets in the world. Our worldwide network serves as an essential tool to the Continental banker, providing the capacity for timely response and comprehensive follow-through. It's what you expect from a top international bank. At Continental Bank, it's reality.' Includes the Continental Bank logo and a list of countries served.

مركز الامم المتحدة

UK NEWS

Steel users arrange winter stock imports

BY ROY HODSON

INDUSTRY has started to make emergency arrangements to import supplies of steel to offset the threatened slowdown in British steelmaking this winter. Steel-using companies, steel merchants, and stockholders fear stocks of steel will be drained rapidly and that a shortage will develop unless new lines of imports are quickly arranged.

A combination of industrial troubles and planned works closures could reduce steel production by the British Steel Corporation by as much as 1m tonnes in the next few months. The corporation will suspend output of bulk iron and steel-making at Ravensraig, Scotland, at the end of next month unless the inter-union dispute over the manning of the new Hunterston ore terminal on the Clyde is resolved. The works has a capacity of 3m tonnes a year.

The National Association of Steel Stockholders in the last few days that if serious disruption to Scottish steelmaking is experienced from November, the corporation will make up supplies from other mills. But to keep that promise the corporation will have to import thousands of tonnes of semi-finished steel in hot-rolled coil form from Continental mills for rolling at the Welsh and Scottish strip mills.

Paraffin spoils fish catch

Financial Times Reporter

FISH LANDED by two Forreese fishing boats valued at between £11,000 to £15,000 was spoiled yesterday at Aberdeen fish market when paraffin was thrown over 500 fish boxes.

The paraffin-throwing incident came during a protest by 150 Aberdeen fishing boat skippers and mates yesterday morning over the continued landings of Forreese catches at the fish market.

Post Office to defer some telephone charge rises

BY JOHN LLOYD

THE POST OFFICE is to defer a number of proposed increases in telecommunications charges until next year after bitter complaints from telephone users' groups.

The charges are for connection of new equipment, and would have gone up from £45 to £55 for domestic customers and much more steeply—100 per cent and more—for business equipment.

The proposed increase from the Post Office Users' National Council, which is apparently about to produce a report on them. The complaints directed at the proposed increases were not so much that tariffs were rising—they have been stable for four years—but because it was felt that the corporation was breaking a public undertaking not to make major increases until 1980.

Pirelli wins CEGB cable order

By John Lloyd

THE CENTRAL ELECTRICITY Generating Board has placed a contract for undersea cables worth between £25m and £30m with Pirelli General, the UK subsidiary of the Italian tyre and cable company.

The cables will form the major part of the UK contribution to the high-voltage link between Britain and France. Pirelli will supply all eight alternating current underwater cables, and half the ground cables. Contracts for the rest of the ground cables have still to be announced.

£5m Scottish agency backing for micro-electronic industry

BY RAY PERMAN, SCOTTISH CORRESPONDENT

THE SCOTTISH Development Agency is to invest £5m in a micro-electronics centre to develop equipment and encourage its use in industry.

The move, outlined by Sir William Gray, chairman, in Glasgow yesterday, follows a recommendation in the electronics strategy report commissioned by the agency from consultants Booz, Allen and Hamilton.

The centre which has Government backing, would supplement the advanced research work in several British universities. It would be partly state funded but would also raise some of its own finance by consultancy and contract work.

Customs officers 'branded as liars'

Financial Times Reporter

INDONESIAN CUSTOMS officers, involved in a case in which hundreds of drums of exotic Eastern oils were found on arrival in Europe to contain water, had been branded as deliberate liars without any evidence to justify that conclusion, a High Court judge was told yesterday.

The extent of the allegations was "a little surprising," said Mr. David Johnson, QC, for commodity shippers Fuerst Day Lawson.

Sometimes the allegations had been made merely because the customs officers' evidence was inconsistent with one of the theories held by Orion Insurance, said Mr. Johnson.

Fuerst are suing Orion, as representative of the 20 underwriters who insured the oils in transit, for \$53,851 and £1,924 after the underwriters refused to meet a claim for the missing oils.

The overall claim amounts to \$512,593 plus other claims totalling £17,644.

One customs witness had been asked a number of questions on what he had been paid to give evidence, said Mr. Johnson.

But that did not get Orion Insurance far, as the reply had been that he had been paid his air fare to England and living expenses. Mr. Johnson asked Mr. Justice Mocatta to bear in mind there had been problems with translation of evidence, for the translators themselves required translation.

The Indonesian customs were "on a hiding to nothing." If witnesses had not appeared the adverse conclusion could have been there was a cover-up.

As they had come, doubt was being thrown on their evidence on the basis that self-interest "if not self-preservation" dictated what they said.

He also asked the judge to reject allegations that Mr. Nico Waworuntu, proprietor of Farmaport, the Djakarta supplier of the oils, had committed an oil-switch fraud.

Newman payments were 'concealed'

BY JOHN MAKINSON

A HIGH COURT Judge yesterday heard allegations that Mr. Alan Bartlett, chairman of Newman Industries, concealed the truth about a £216,000 payment made by Newman in 1975. Mr. Leonard Caplan QC put it to Mr. Bartlett that he had been deliberately deceptive in the matter.

The payment was made on account to Thomas Poole and Gladstone China (TPG) in the first three months of 1975. It was part of a total consideration of £325,000 which Newman paid for a package of TPG assets and liabilities.

The Prudential Assurance, which was a small shareholder in Newman, is charging that the Newman circular informing shareholders of the proposed deal was misleading. It is also claiming damages from Mr. Bartlett and Mr. John Knox Laughton for conspiracy and breach of duty.

Mr. Bartlett replied that this was far from the truth and said that the inclusion was made on the recommendation of one of Newman's advisers. Mr. Caplan also suggested that, in remarks to shareholders on July 8, Mr. Bartlett misled them into believing the payment was made after March 1975.

Bartlett's part. He asked Mr. Bartlett why it was not stated in the agreement of June 3 between Newman and TPG that £216,000 had been paid. "I do not know," Mr. Bartlett replied, adding, "I did not draft the agreement."

The circular was dated June 21 and stated: "The company has paid £216,000 to TPG on account of the consideration." Mr. Caplan noted that no reference was made to the payment up to and including the last proof of the circular on June 18. He suggested that the late inclusion was made because Deloitte and Company, Newman's auditors, uncovered the figure of £216,000 while making cash-flow projections around this time.

Mr. Bartlett replied that this was far from the truth and said that the inclusion was made on the recommendation of one of Newman's advisers. Mr. Caplan also suggested that, in remarks to shareholders on July 8, Mr. Bartlett misled them into believing the payment was made after March 1975.

Visscher atlas of 1710 is sold for £16,500

THE ATLAS MINOR by Visscher, published around 1710, sold at Sotheby's yesterday for £16,500, plus the 10.8 per cent buyer's premium and VAT, to Hammond. The atlas came to Bond Street via Sotheby's newly-opened office at Cheltenham.

It was the top price in an atlas and map auction which totalled £107,121. A 1570 atlas of Ortelius which should have made an equally high price failed to find a buyer.

At Sotheby's Parke Bernet Monaco on Sunday and yesterday the furniture collection of Prince Sadruddin Aga Khan, uncle of the Aga Khan, sold for £403,128. A marquetry table made at Anvers about 1680

made £48,300. At Christie's, art nouveau and art deco sale in New York at the weekend, which totalled £2,273,885, a New York dealer paid \$66,666 for a peony table lamp from the Tiffany Studios, dated 1903. A Tiffany vases

SALEROOM

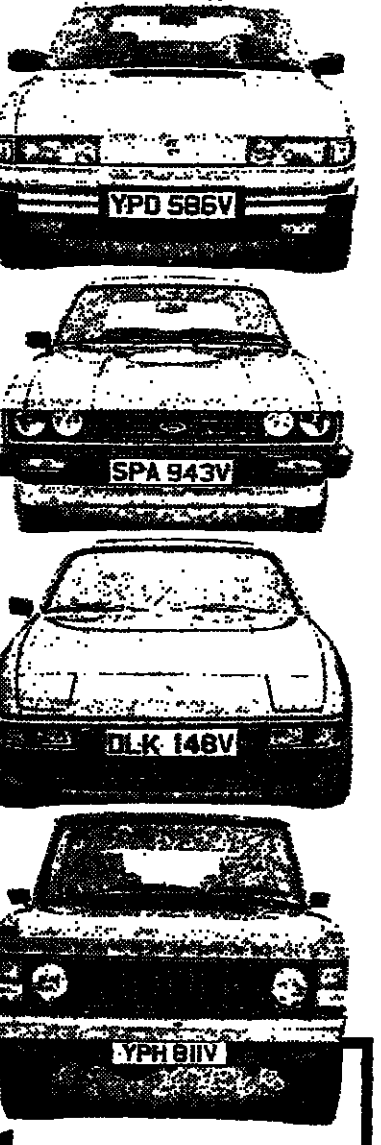
BY ANTHONY THORNCROFT

table lamp sold for £52,330, and a water lily leaded glass and bronze table lamp, also by Tiffany, realised £28,571. Christie's South Kensington sold the remaining contents of Akroyd Place, Burnham, Bucks., for just over £70,000.



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UK NEWS

First-time home buyers 'need cash assistance'

BY MICHAEL CASSELL

GROWING numbers of potential first-time purchasers will be unable to buy new houses unless they are helped by subsidy or some form of beneficial treatment, according to Sir Peter Trench, chairman of the Lovell Construction Group.

Sir Peter, who was addressing the Institute of Building's Birmingham Centre, said that house builders had difficulty constructing homes that people would be able to afford.

He predicted: "There will be fewer houses built than is strictly required from a demand point of view and these houses will be in the medium to high rather than the low-price bracket."

Some form of financial assistance for potential buyers was necessary, as well as more land for housebuilding. Sir Peter added: "Availability of funds for purchase will depend on interest rates, the volume of

council house sales and the success of building societies in finding new sources of finance."

Sir Peter also forecast major changes in construction techniques during the 1980s. He predicted widespread adoption of industrialised building methods, with fewer craft-oriented site workers and a greater emphasis on standardised factory design.

He added: "I think that component building could well take off in the next decade. I believe that shortage of skilled labour and the cost of site work will force change."

Sir Peter emphasised that he was not envisaging what he described as the "phony" upsurge in industrialised methods experienced in the 1960s, but a fundamental shift in techniques which would become a permanent feature of construction activity in the UK.

£30m to set up ITV 2

BY ELAINE WILLIAMS

THE Independent Broadcasting Authority will spend £30m on equipment and buildings for the fourth television channel which will open in November 1982.

The IBA yesterday placed contracts worth more than £18m with Marconi Communications and Pye TVT for 48 sets of high-power transmitters for the channel.

By November 1982, 30 transmitters will allow the fourth channel to open simultaneously in all Independent Television regions. About 80 per cent of the country will be able to receive its programmes.

Lady Plowden, chairman of the IBA, said yesterday the fourth channel would be the first television programme to open in the UK for which most viewers had suitable receivers and aerials.

"They will only have to press the right button, the one that has been left unused for so long."

When the channel opens, the remaining 18 transmitters will be installed at the rate of one a month. Deliveries will begin early in 1981.

To relieve growing tensions about Welsh language pro-

grammes the IBA is giving priority to Wales. All six main stations needed for the new channel will be among the first 30 stations. It is also planned to equip about 80 local relay stations in Wales before 1982.

All Welsh language programmes will then appear on the new channel and ITV programmes will be gradually transferred. This will allow the majority of non-Welsh speakers to watch all-English programmes.

Lady Plowden said it was the first time that any broadcasting authority had awarded such a

large contract. Within a few years the fourth channel would reach 98 per cent of the population, the same as the existing channels.

The IBA and the British Broadcasting Corporation intend to build 70 local relay transmitters each year—in addition to equipping existing relays to carry the new channel.

All the fourth channel transmitters will be installed at existing sites. The IBA is working on a project to rationalise control of more than 1,000 transmitters to four main control centres.

Taxmen's raids defended in Lords appeal

THE "military style" raids by an army of tax officers on West End company offices, condemned by Lord Denning as excessive use of power, were defended in the House of Lords yesterday.

Much of what Lord Denning said in the Appeal Court last August was "pure imagination," counsel for the Inland Revenue told the Law Lords.

Lord Denning had said, in ordering the Inland Revenue to return property seized in the raids, that there had been nothing like it since 1783 when the King's Messengers arrested John Wilkes and seized all his books.

In its appeal the Inland Revenue is asking the Lords to uphold the wide powers of search and seizure of documents used in four July raids—on the offices of bankers Rosemount, L.A.R. Financial Services, an accounting and secretarial company, the Baywater home of the bank's managing director, Mr. Ronald Plummer, and the home of tax consultant, Mr. Roy Tucker at Nettlesford Place, near Maidstone, Kent.

The Appeal Court had held all were illegal and an excessive use of power.

Mr. Robert Gatehouse, QC for the Revenue, told a committee of five Law Lords that although search powers were "distasteful," Parliament considered they were necessary. If the powers were to be used, they must be effective.

"There can be nothing worse

than a search which infuriates the subject and gives the Revenue Officers a thoroughly bad name and then does not achieve results," he said.

Parliament had intended that, if necessary, a search carried out by the Revenue when investigating suspected tax fraud should be "very wide," counsel submitted. A search that went off at "half cock" would be a disaster.

For an effective search, it had to be at a time when property would not have to be broken into. That was why the raids were at 7 am. Householders would not yet have left for work and would be available to give searching officers access.

A "vast quantity" of documents had admittedly been removed on July 13. If each had to be considered individually before removal, the Revenue officers would have been "camping" on the premises for months, said counsel.

All the original documents had now been returned and the Revenue had undertaken to keep the copies they had taken "in cold storage" pending the outcome of the Lords' appeal.

If the appeal failed, the copies would have to be destroyed. If it succeeded, the Revenue would be entitled to ask for the return of the originals.

Mr. Gatehouse said Lord Denning's description of the raids as "a military style operation" was fair comment but much else of what he had said was "pure imagination."

The hearing continues today.

Bureaucracy too costly, Scots told

By James McDonald

DIRECTORS OF services in the Glasgow area should apply to try to reduce staff by more efficient employment and effective working, Mr. Ian Lyall, president of Glasgow Chamber of Commerce, said there yesterday.

"Councils never stop telling us these days about the effect of cuts on senior citizens, children, hospital patients and so on, but they seem powerless to stop their officials adding daily to the weight of bureaucracy," he told the chamber's monthly business affairs conference.

Mr. Lyall said that in the 1978 revaluation the increases in valuations of industrial premises for rates were relatively a good deal higher than for commercial and domestic properties. The assessor no doubt thought that he had already dealt faithfully with the latter in earlier valuations.

As a consequence there was "a rash of appeals." Considered particularly out of line were "the older type of industrial building, with which unfortunately Glasgow is plentifully supplied, and where assessments have been found in excess of the building's capital value."

What really goes to the heart of the matter is the rates which are applied to these valuations, and here we are threatened, according to statements made by councillors, to have added to a rate poundage already perhaps the highest in the country—increases of 40 or even 60 per cent."

New NHS planning system called for

By Paul Taylor

THE NATIONAL Health Service planning system should be dismantled and replaced by a development agency charged with helping to redistribute resources in favour of "Cinderella areas" such as community and geriatric care, says a report published yesterday.

The report, commissioned by the independent Outer Circle Policy Unit and prepared by a group of academics from the Hull University Institute for Health Studies, says that the present planning system within the National Health Service has failed to achieve its objectives.

The report, which recommends reversing the emphasis traditionally given to the acute medical sector and diverting it to community-based services for the mentally handicapped, the mentally ill and geriatrics, says the present procedure for approving and monitoring plans has floundered.

This, suggests the report's authors Mr. Philip Tether and Mr. Trevor James, is because of "the power of local providers, in particular those who represent the acute medical sector."

They reject the idea of inspectors to enforce spending

priorities within the NHS. Instead, they suggest that the gulf between the Department of Health and Social Security plans and local services should be bridged by a new "development agency."

The development agency would be given the task of "translating the broad objectives of the service into appropriate local strategies" which would redress the balance between different sections of the health service.

The agency, led by top professionals, would replace the existing Health Advisory Service and would be responsible for negotiating and then monitoring plans reflecting broad objectives with local policy makers.

It would also be concerned with promoting better standards of care particularly for the mentally ill, handicapped, elderly and disabled who have not received their fair share of NHS resources in the past, the report says.

A Development Agency for the National Health Service: Institute for Health Studies: £1.25.

Tax relief on pensions 'exploited'

By Eric Short

A WARNING that the present methods of selling pension schemes to controlling directors may result in retaliatory legislation has come from Mr. David McLeish, managing director of Godwins, a leading firm of employee benefit consultants.

In an article in Accountancy, Mr. McLeish points out that the principal object of a pension scheme is to provide income in retirement. But many consultants in dealing with small self-administered schemes for controlling directors treat the pension as incidental.

Controlling directors are fully apprised of the advantages of such schemes in minimising both their own and their companies' tax bills. The use of the funds for investing back in the company is highlighted. The more esoteric schemes are being pushed to the limit.

But Mr. McLeish feels that, with the Government examining many fringe benefits and their tax treatment, exploiting pension scheme tax reliefs to the extreme may bring about Government action that will not only close the loophole, but seriously affect the future development of bona fide occupational pension schemes in the UK.

Mr. McLeish is also critical of the role of the "pension trustee" in these small self-administered schemes. This role was devised by the Inland Revenue to prevent the agreed winding-up of the pension scheme and the distribution of its assets among potential beneficiaries.

Call to conserve oil for transport use

By Lisa Wood

GOVERNMENTS should pursue policies which discourage the consumption of oil in factories, homes and power stations, and conserve the fuel for transport use, it was said yesterday at the Road Haulage Association's annual conference in Brighton.

Mr. John Silbermann, the association's national chairman, said that the Government should consider reversing the taxation policy on fuels so that consumers not in the transport industries were discouraged from using oil.

He said the Government should "publicly state the essential nature of transport in all its forms and therefore the importance of conserving oil for transport use."

Nothing was more wrong than taxing road diesel, used by commercial vehicles, at a higher rate than petrol.

Hong Kong fare hearing set

By Lisa Wood

THE APPLICATIONS by three airlines for cheap fares between Hong Kong and London are to be heard in Hong Kong from November 12 to 16.

British Caledonian, Laker Airways and Cathay Pacific Airways have filed for rights to fly the route with the Hong Kong Government as well as the Civil Aviation Authority in London.

Market survey predicts drink price rises

By Christopher Parkes

THE RECENT 3p a pint rise in the price of Courage beer marks the start of a new round of general increases. It seems likely to be followed by a "significant" liquor duty increase at the next budget and further brewers' increases next autumn, according to the latest market survey from Phillips and Drew, stockbrokers.

Assessing the prospects for 1980 the company concludes that although beer consumption is not expected to be greatly affected, sales of wine and spirits are likely to slow and the profitability of managed pubs could be hit.

Brewers' profits on a barrel of beer are forecast to increase 12 per cent in the first nine months of the year. Allowing for a 2 per cent increase in volume brewing and beer wholesaling, profits overall can be expected to increase 15 per cent, Phillips and Drew says.

In the pub trade wholesale price increases will probably add 8 per cent to turnover, but there is concern about the effects later in the year of the widely forecast slowdown in consumer spending.

The wages bill in the average public house is likely to rise 20 to 25 per cent and margins on spirits may shrink.

Consequently net margins are going to be under pressure and overall managed house profits may rise only about 5 per cent.

The immediate future looks much brighter, however, Christmas sales of all drinks are expected to benefit from extra spending power coming from income tax rebates.

● Bass Ltd. yesterday reaffirmed the undertaking it gave to Mrs. Sally Oppenheim, Consumer Affairs Minister, in June that it would not increase prices before January 1980.

Hong Kong ship tonnage 'equals Merchant Navy's'

By Lisa Wood

A SMALL number of Hong Kong shipowners now own almost as much tonnage as the whole of the Merchant Navy put together, said Mr. David Ropner, president of the General Council of British Shipping, yesterday.

Mr. Ropner was speaking at the annual dinner in London of the Worshipful Company of Shipwrights.

He said that it was vital for British shipping to keep its costs under strict control and retain its efficiency. Otherwise the industry was bound to lose out to lower-cost operators from abroad.

"I fear that we in Britain do not have the same confidence to invest. This is a phenomenon which is not peculiar to shipping. Our problem, like that of all engaged in international trade, is to remain competitive in a world where competition is fierce and growing fiercer every day."

But, Mr. Ropner said, things were better in shipping than they were a year ago. Freight rates for bulk carriers had improved. Load tonnage had gone down and second-hand prices had risen.

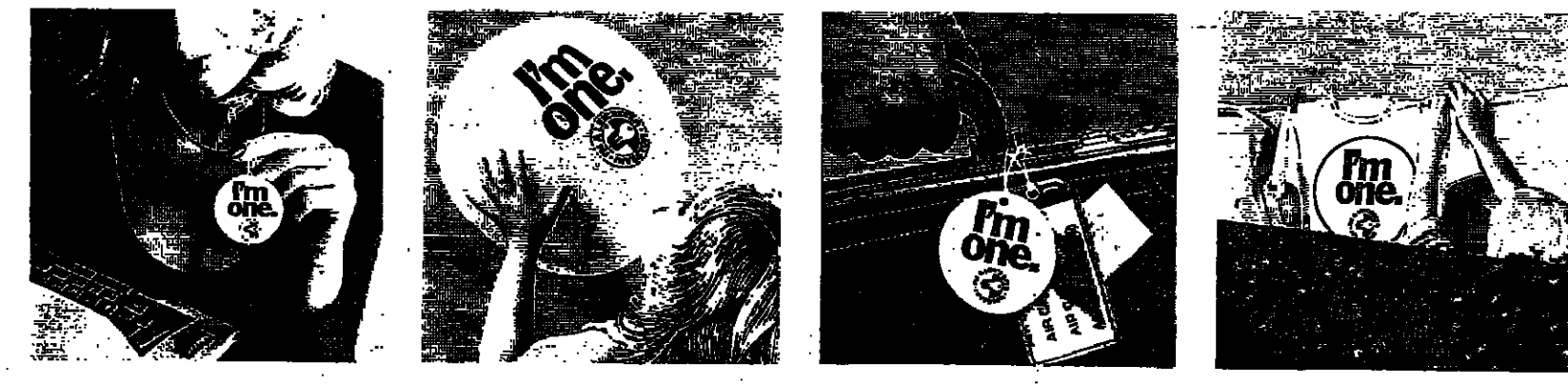
On the whole the UK fleet was fitter, though much slimmer. In the last four years tonnage has been reduced by about 25 per cent.

He warned that if the wage settlement being negotiated with seafarers went too high there would "inevitably" be fewer jobs.

"Investment would be deflected from shipping. Tonnage would continue to decrease and officers and ratings would either be lost to seafaring, or would have to serve in foreign ships."

"Further, we would tend to lose our attraction as managers of ships registered here from abroad, which provide more opportunities for employment for our seafarers."

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Dockland plans under attack

By Lisa Wood

GOVERNMENT plans for setting up new-town style urban development corporations in Merseyside and London docklands come under attack today from the Association of Metropolitan Authorities.

A leader in the association's magazine, Municipal Review, complains that "the new town lobby have now convinced the Government that development corporation approach might work" as a means of regenerating run down inner city dockland areas.

However, the review says "there is absolutely no evidence to substantiate this view."

The review says that while everyone wants to see the docklands revived, the Government must be shown this can be achieved within the local government structure.

Government plans for setting up urban development corporations are meeting sustained opposition not only from Labour-controlled London boroughs, involved in the present Docklands Joint Committee, but also from Conservative politicians in Liverpool.

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- £250 million worth of contracts to British companies for Hong Kong's new Mass Transit System
- £100 million worth of equipment from General Electric of Britain for a power station in Hong Kong
- Another £100 million contract to Balfour Beatty for a high voltage transmission system
- £74 million order to Rolls Royce from Cathay Pacific Airlines for new Boeing 747 and Tristar fleet

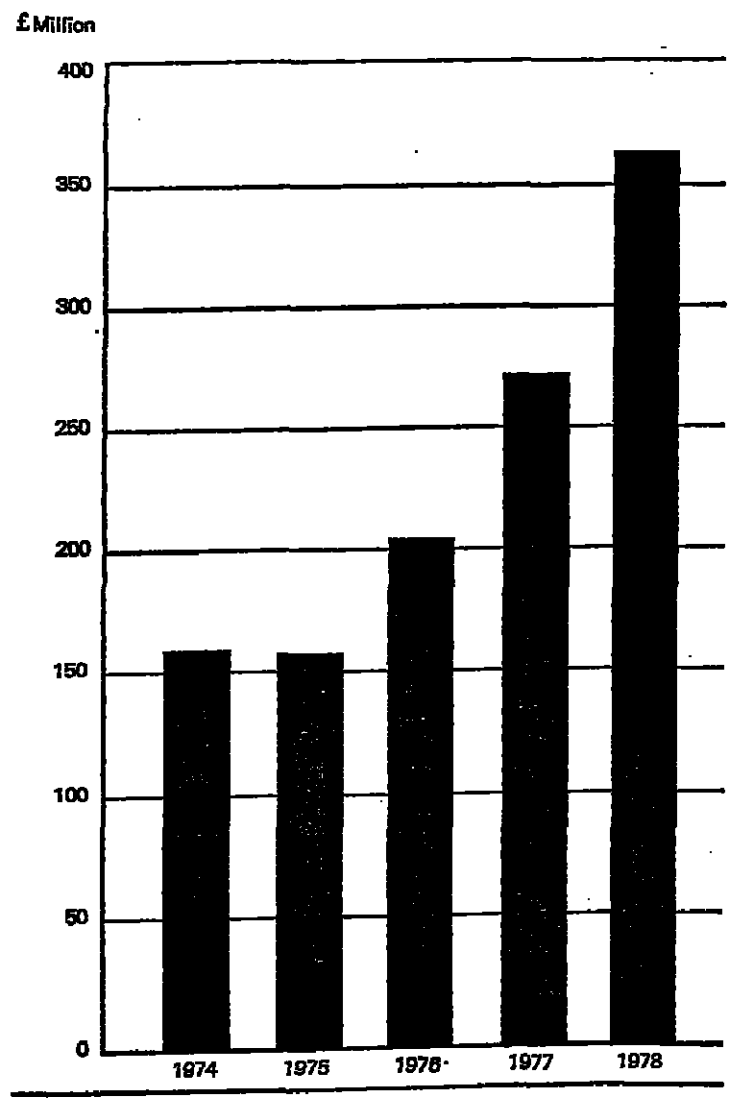
● £45 million contract to Metro Cammel for new rail cars for Hong Kong's railway

Britain also has a high level of participation in most sectors of Hong Kong's economy including banking, shipping, insurance, stockbroking, engineering, trading and British Airways' lucrative Hong Kong-U.K. flight sector. Some of these companies stand to benefit considerably from China's new and dynamic economic modernisation programme. New developments in China could have much relevance for the British economy.

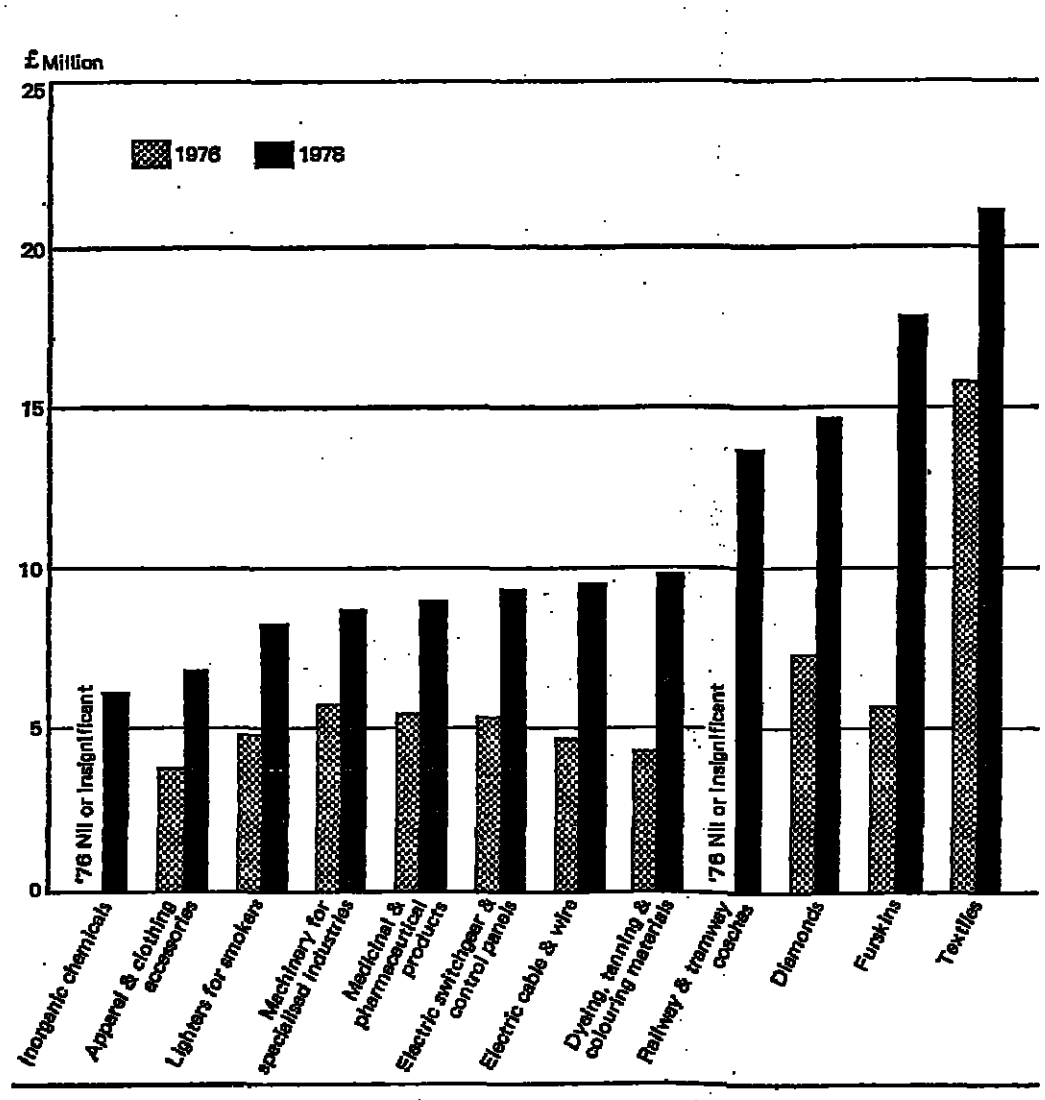
The future looks good and there is much more to do, as Britain still has only slightly more than 5% of Hong Kong's fast growing market. An increase of five percentage points in our market will mean an extra £500 million in export earnings for Britain and there is every possibility that Britain will continue to win a higher share in next few years.

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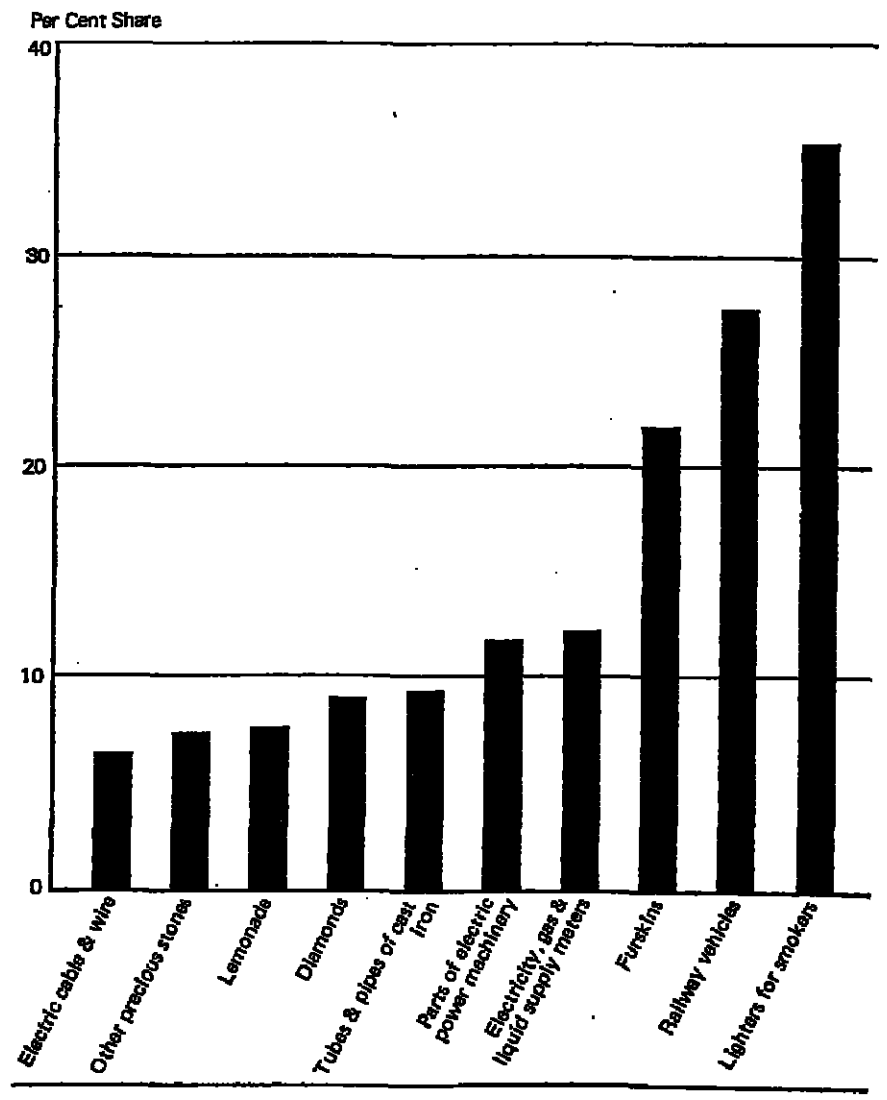
U.K. Exports to Hong Kong 1974 to 1978



U.K. Exports to Hong Kong of Selected Products, 1976 and 1978



Percentage Shares of Hong Kong in Total U.K. Exports of Selected Products, 1978



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UK NEWS

NEWS ANALYSIS — LYNTON McLAIN ON AIR DEFENCE SYSTEMS

Local council budgeting plan criticised

BY PAUL TAYLOR

THE CHARTERED Institute of Public Finance and Accountancy has condemned the Government's plans to introduce controls on overall local authority capital spending—in addition to existing controls on borrowing.

The institute, whose members include finance chiefs in local government, said that to impose new controls on capital spending on top of controls on borrowing seems unreasonable.

Not practicable

However, the proposals are unlikely to be approved by local authorities who rejected a similar set of proposals put forward by the last Government.

The local authorities are expected to reject the proposals for a number of reasons, including the question of duplicating controls. However, they are also expected to argue that it is not practicable to define capital expenditure and perhaps most importantly, that the proposed system would involve the Government in determining how much each local authority should be allowed to spend on capital projects. This would introduce similar difficulties in assessing "need" to those already apparent in the rate support grant system.

Control over the £3.2bn local authorities are expected to spend on capital projects this year is at issue. Behind the Government's move is Treasury concern that the present system of controlling local authority capital spending—through borrowing controls alone—is deficient because of the alternative sources of finance open to local authorities.

The basis of the proposed system, which would be introduced by 1981-82, is five main block allocations covering education, housing, social services, and other

services. There are already separate controls over police, probation and magistrates court capital expenditure.

Each local authority would submit capital spending plans for perhaps three years, and would then be given an allocation expressed in forecast out-turn prices for the next year. Central Government would also give some indication of the figures likely to be approved for following years.

Individual local authorities would be allowed to exceed their block allocation for the year only in special circumstances. Local authorities would, for instance, be allowed to carry over from the previous year, or spend in advance up to 10 per cent of its total allocation. They could also transfer up to 10 per cent out of one block and up to 15 per cent into another block and transfer allocations between local authorities within a county area.

In addition, local authorities would be allowed to supplement their capital spending allocations by using the proceeds of the sale of assets, within certain time limits to boost spending within the same spending area.

Up to 50 per cent of the receipts from the sale of council houses or housing land could also be used to supplement the capital spending allocation. Within each block allocation, and with certain exceptions, for example, "where it is essential to secure the implementation of government policy," local authorities would be allowed to decide their own priorities for spending.

Despite these concessions on flexibility, the local authorities are expected to argue that they are worth little compared to the new and major constraints on capital spending.

The statutory controls over borrowing to fund capital spending are to stay, with the Government linking each spending allocation approval to a borrowing approval for the same amount. This, claim the local authorities, is an unnecessary duplication of controls.

ICL's vital move in battle for big contracts

THE ENTRY of International Computers Limited (ICL) into the contest to supply equipment for Britain's new air defence network is an important move in the commercial battle for a series of big contracts to modernise NATO's entire ground radar air defence system by the end of the century.

By comparison with NATO's grand plan, the British scheme is modest. Even so, it is expected to cost between £75m and £100m by the late 1980s and is vital for the security of Britain and much of continental Europe.

So far the contest for the lucrative defence contracts for modernising the UK Air Defence Group Environment — UKADGE — has involved months of intense lobbying behind the scenes by the companies and their governments.

ICL has sided with the French Sintra company, the Dutch Hollandse Signaalapparaten and the U.S. Westinghouse Electric in a determined effort to outflank the competitive efforts of an earlier British-dominated consortium of Marconi Plessey and Hughes Aircraft of the U.S.

Each consortium is prepared to spend up to £500,000 in preparing tenders for the British Defence Ministry. The ultimate prize at this stage is to win contracts for the entire air defence system, although the radars are to be open to tenders from individual companies rather than the two consortia. The consortia hope to win the

air defence data and communications contract.

However, each group may eventually find itself with only a part of the whole contract. There would inevitably be a fusing of the technical and commercial talents of the companies as the demand for compatibility within the completed UKADGE defence network eliminated competing solutions.

Such a fusing of talents, from the establishment of large, international consortia, would be even more evident in the multi-national programme to modernise the whole of NATO's air defence system (NADGE) in the 1980s and 1990s.

The UKADGE plan, which may promote this "growing together" of currently competing interests, has its origins in the changing nature of aerial attack strategies and the rising expense of maintaining Britain's ageing fixed radar sites.

These strategic changes, in turn, are derived from the decision by NATO in the 1960s to move away from the "trip wire" strategy of response to external threats to one of "flexible response." The "trip wire" strategy was based on the military posture of deterrence with instant nuclear retaliation by the alliance if an enemy attacked any member of NATO. Under this flexible strategy Britain had little need to be equipped for conventional air warfare.

This led to the deliberate running down of Britain's fighter aircraft strength and almost

total dependence on large fixed radars. British defence officials decided that only sufficient fighter aircraft and radar would be needed to defend the integrity of UK air space. This called for only a few dozen aircraft.

But the 100 per cent reliance on the nuclear umbrella aided by data from the fixed radars limited Britain's range of options when technical advances in electronics and aircraft design and tactics opened the possibility of flexible and more conventional responses.

In particular, the possibility of aircraft attacking Britain from the west rather than the east and at low level, out of sight of much of the existing radar cover, prompted the call to modernise the existing air defence system.

Much of the existing radar equipment has limited Britain's ability to monitor and defend its air space. The fixed radar sites have equipment that was often especially designed for Britain.

But the greatest problems have been of reliability and the slow speed of response in a system where manual communications between detection centres and control rooms have hampered the efficiency of the air defence network as a whole.

The rundown of the fighter strength is being reversed as Britain builds up a coherent air defence system, intended to be reliable, to respond rapidly to events and not to be constrained

by the use of a small number of fixed sites.

A total of 385 Tornado aircraft is expected to start entering service with the RAF in the 1980s. Of these, 165 will be specially for air defence.

By the time the last squadrons of Tornado air defence fighters enter service the ground equipment should have been updated with equipment made by the winner or winners of the UKADGE contracts. Many of the radar sites will be mobile. They are expected to be dispersed from peacetime sites in times of tension. The new system will give Britain for the first time complete radar cover around its shores.

The new generation of computers to be ordered under the latest contract will analyse data and correlate it with other information, including that from the NATO system, and relay it to control centres instantaneously.

Because the UKADGE system will dovetail with the existing and improved NATO system, NATO has become closely involved with the British proposals. NATO is expected to fund a very high proportion—perhaps 90 per cent—of that part of the contract which NATO regards as essential.

But Britain has decided that it wants the new air defence system to provide even more comprehensive radar coverage than NATO believes is necessary. These extra sites are likely to be paid for entirely

by Britain, with important implications for UK industry.

This is thought to be largely the reason why the radar contracts—as distinct from the data handling and communications contracts—are to be placed with individual companies rather than the two consortia. Britain, under a scheme involving patronage of individual manufacturers, would be free to place the contracts for radar manufacture with national companies, without fear of upsetting her partners in NATO, whose own companies may tender but may get only the work which NATO has agreed and will fund.

Plessey and Marconi Radar Systems are thought to be the only competitors for the extra radar sites. But the Defence Ministry believes their tenders will still have to be highly competitive because they will reflect bids made by the same companies for the work which NATO has approved.

Plessey is understood to be tendering for the radar contracts with ITC Gillilan of the U.S., a company which has already made helicopter portable radars for the U.S. Marines. But Plessey will also be bidding against its two partners, Marconi and Hughes.

Hughes, a leading corporation in defence electronics in the U.S., as already had success in the European programme to modernise air defence ground systems, by winning outright the

contract to update the West German GEADGE system.

Tenders for the data and communications element have to be submitted by February 28. Evaluation will take about seven months and the contract is likely to be awarded towards the end of next year.

This timetable however, is now running behind schedule as a result of formal protests among NATO partners and in particular France, which takes a full part in NATO talks although its military forces are not necessarily assigned to NATO.

The first deadline was July 26 this year. But there was only one competitor, the Marconi, Plessey, Hughes consortium, which announced its plans in April. Plessey had done the original project definition study for the Defence Ministry and it was felt by members of NATO that British companies had been heavily favoured by the UK Government.

But up to 90 per cent of the money is likely to come from NATO—to help redress an imbalance which resulted from the fact that Britain in the past has contributed more to NATO than it gained in aid—Britain, therefore, had to give way to pressure to postpone the deadline.

A second deadline, November 1, was suggested by Britain but this too was unacceptable to NATO. The new timetable allowing for a second consortium, was agreed only last week.

Engineers' group calls for more innovation in industry

FINANCIAL TIMES REPORTER

INNOVATION IN industry should be given the same status as safety so that everyone recognised its importance, benefits and costs, says a report by the Institution of Mechanical Engineers.

The engineers welcomed the Government's study on innovation, published by the Advisory Council on Applied Research and Development (ACARD) earlier this year, as an indication that the Government recognised the benefits of more innovation.

But in its detailed appraisal of the council's report the Institution is critical of some of its conclusions. It is also critical of the

machine tool industry, which "needs to be more flexible in its approach to requests to develop specialised or one-off machine tools."

Exercises in developing new technology would benefit manufacturing industry, would in-

MORE HOME NEWS

ON PAGE 28

crease export potential, and would reduce imports of "specials," says the institution. The engineers disagree with a proposal that grants to develop manufacturing tech-

nology should be administered by the Science Research Council.

They say the grants should be channelled throughout the research requirements boards of the Department of Industry. The boards should also be used to liaise with industry in developing technical standards, and not the Sector Working Parties.

The engineers also criticise references by ACARD to "manufacturing sciences," saying they prefer the unequivocal term "production engineering."

Industrial Innovation: A submission to the Advisory Council for Applied Research and Development. The Institution of Mechanical Engineers, 1 Birdcage Walk, London SW1.

Car insurance premiums up 9.2% in 5 months

By Eric Short

MOTOR insurance premiums have jumped 9.2 per cent over the past five months, according to the latest value of the Quotel Motor Index. The October index value stood at 168.7, against a May value of 154.5, with this rise reflecting the recent large number of motor premium increases announced by many insurance companies.

Quotel Insurance Services, which publishes the index, provides a comprehensive monitoring service to insurance brokers of motor and life assurance premium rates.

Quotel's analysis by type of car over the period showed that motor premiums for the 1593 cc Ford Cortina leaped by 12.6 per cent.

Mersey estuary bird deaths investigated

BY LISA WOOD

MORE THAN 1,500 birds have died in the Mersey estuary in the past three weeks—but the cause of death remains a mystery.

The birds, which include seagulls, a heron, teal and curlews, have all been found either dead or dying. It has been suggested that lead poisoning could be responsible, but the North West Water Authority, which is leading an investigation into the deaths, said at the weekend that there was no conclusive evidence yet.

The authority said that the University of Liverpool and the Ministry of Agriculture, Fisheries and Foods had isolated lead in the birds but the levels were considered to be too low to cause death. The authority regularly moni-

tors sediment in the estuary. Lead levels have remained steady since 1974, according to annual analyses. A special check is to be carried out to establish whether there has been an unusual alteration in the level since May, when they were last examined.

Major industrial discharges and spillages are all being investigated. Among Merseyside's major industries are the Ellesmere Port oil refineries, and petrochemical and chemical plants on both banks of the river. Asked if any dead fish had been seen in the estuary, a water authority spokesman said: "There are not many fish in the Mersey." In the words of the Liverpool expression: "The quality of Mersey is not strained."

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The horror began almost immediately.

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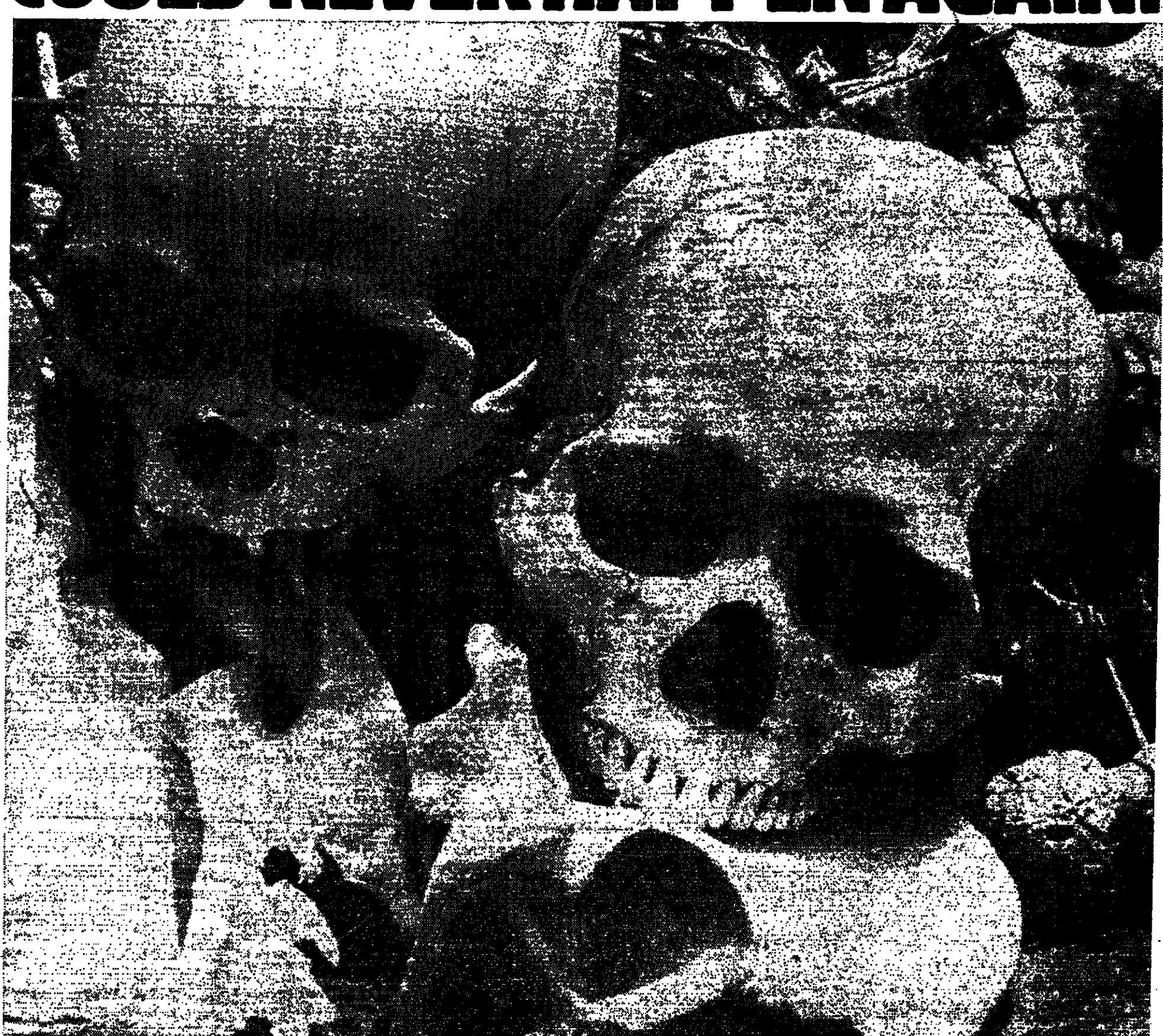
The nightmare. The holocaust. Again.

From the sealed country of Cambodia, 'Year Zero', the first complete film report to reach the West.

Report by John Pilger
Photography Gerry Pinches
Sound Steve Phillips
Editor Jonathan Morris
Produced and directed by David I. Munro

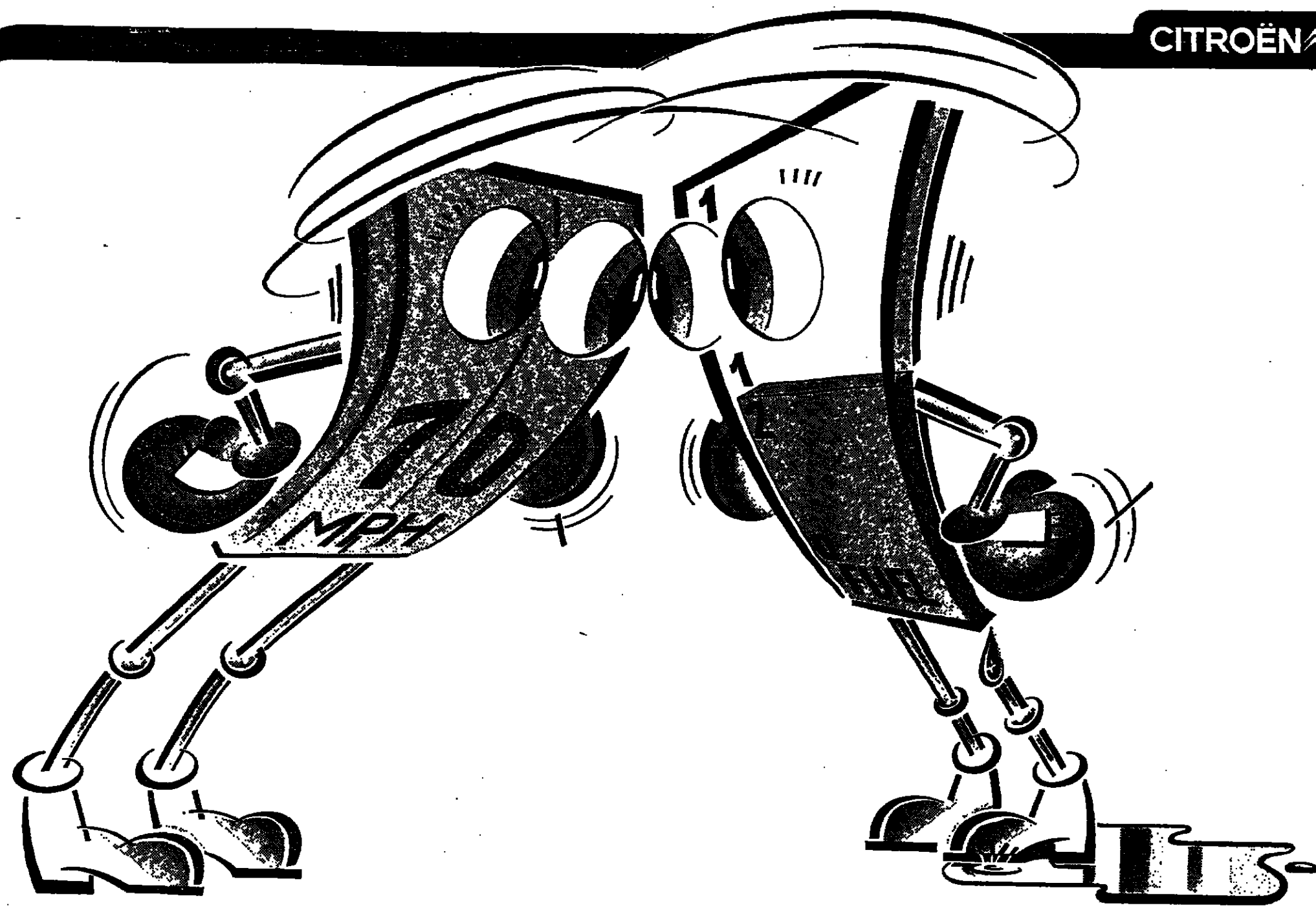
Photograph by Eric Pees

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CITROËN



CITROËN ANNOUNCE A TRUCE BETWEEN THE SPEEDOMETER AND THE FUEL GAUGE.

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The Reflex gives 35.8 mpg at a constant 56 mph, 29.1 mpg at a constant 75 mph, and 23.5 mpg in the urban test. Acceleration and fuel consumption in the 5-speed Athena is even better (39.8 mpg at a constant 56 mph).

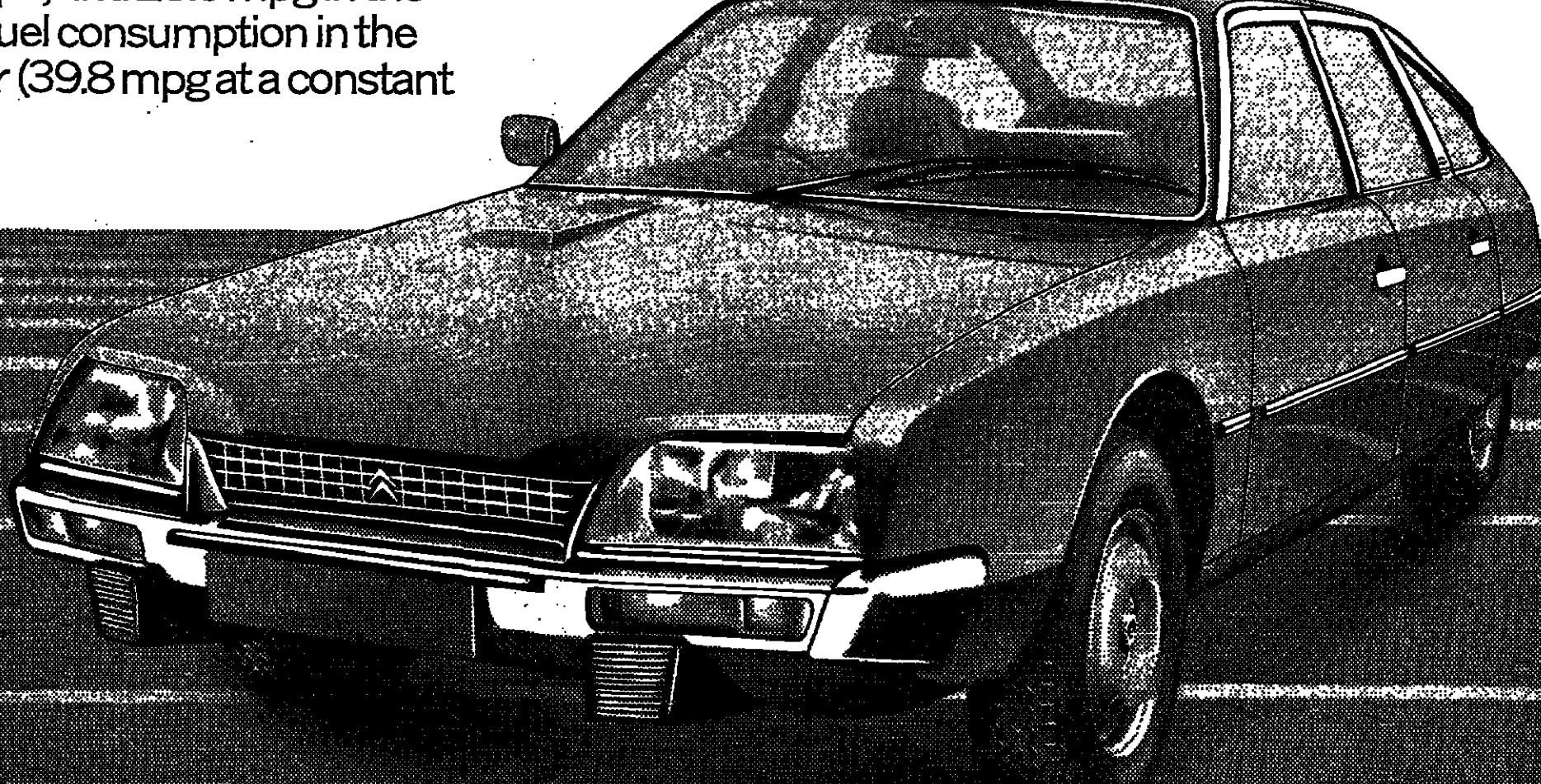
Despite their economy, both cars have all the touches you would expect of much more highly priced luxury saloons.

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The VariPower steering makes parking and manoeuvring finger-tip easy. And yet it becomes progressively firmer with speed; and combined with front-wheel drive, ensures rock-solid roadholding and handling.

Astonishingly, while these new Citroens fall firmly into the luxury car category, this is not reflected in their price-tags.

The Reflex costs just £5,697. And the Athena, with 5-speed gearbox and several added luxuries, comes in at an equally conservative £6,229.



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UK NEWS—LABOUR

Union may sue port authority

BY PHILIP BASSETT, LABOUR STAFF

THE IRON AND STEEL Trades Confederation, one of the unions at the centre of the Hunterston ore terminal demarcation dispute, is considering legal action against the Clyde Port Authority to recover earnings lost by its members during the dispute.

The union, largest in the steel industry, said yesterday that failure to operate the £100m terminal was the fault of the authority, and had resulted in a loss of earnings to ISTC members.

Because of this the union was "actively investigating" what remedies were available

through the courts.

Mr. Bill Sirs, ISTC general secretary, confirmed that the union had instructed its solicitors to examine the legal position, and that it was ready "if necessary" to sue the authority.

He said: "The authority has a contract to bring steel in. It is not doing that, and our members are losing money as a result."

A spokesman for the authority said that the union's possible move seemed another diversion from the central issue of the demarcation dispute. Neither

the ISTC nor the Transport and General Workers' Union, the other union involved, was in dispute with the authority.

The two unions are arguing over who should do the 60 new jobs at the terminal. The TUC will make a fresh attempt on Saturday to resolve the dispute, though Mr. Sirs said yesterday that if "use of force as opposed to use of argument" prevailed.

The British Steel Corporation announced last week that it was starting legal proceedings against the authority over non-operation of the terminal.

● The Prime Minister, in what

was taken to be a reference to the Hunterston dispute, emphasised to Welsh union leaders the importance of ensuring that investment in the steel industry was put to work.

again a settlement would be unlikely.

● Shop stewards at Ravenscraig steel works in Scotland, where the corporation has said it will temporarily suspend production if the Hunterston dispute is not settled, said yesterday that they would consider a work-in if British Steel went ahead with its plans.

Warning by Gormley on Government intervention

BY CHRISTIAN TYLER, LABOUR EDITOR

MR. JOE GORMLEY, president of the National Union of Mineworkers, yesterday warned the Government not to apply behind the scenes pressure on the National Coal Board in this year's pay negotiations.

He told a meeting of the Foreign Press Association in London, that it would be "damn impossible" to negotiate for a figure that did not cover the rise in the cost of living. "The negotiations should ensure miners stayed at the top of the industrial wages league."

The NCB is due to give its first reply to the NUM claim tomorrow. The claim submitted involves rises of up to 65 per cent. Increases for the maximum rates for face workers range from £84.95 to £140, for other underground workers from £78.50 to £126 and for non-craftsmen surface workers from £72.50 to £100.80.

Comparisons

Mr. Gormley said nobody could say a coalface worker was not worth £140 a week, particularly in the light of some other settlements "in other areas that are not as important in my opinion to the economy as the coal industry is going to be."

Times printworkers had won £240 a week for work not comparable to the miners.

"I hope the Government will realise the importance of coal miners in the economy," he said.

"There will be a settlement, but whether it is a peaceful settlement or a settlement as a result of problems I don't know."

Pay rises must be below rate of inflation says Heseltine

BY CHRISTIAN TYLER, LABOUR EDITOR

LOCAL GOVERNMENT trade union leaders were told by Mr. Michael Heseltine, the Environment Secretary, yesterday that there was no question of the Government meeting the cost of pay rises at the current inflation rate of nearly 17 per cent.

He gave no hint of the inflation assumption that the Government has made for the 1980-81 public services cash limit, which will be announced on November 20 with the rate-support grant.

Treasury forecasts of a 13 per cent inflation rate by the third quarter of next year suggest that the rate-support grant inflation figure will be no more than that.

The Government could pitch the pay figure even lower, perhaps in single figures, because of its worry that any figure will

be seen by the unions as a minimum.

To prevent the huge increase in rates that would follow pay settlements in double figures, local authorities might be cushioned in other ways.

Mr. Heseltine told members of the TUC Local Government Committee that once the cash limit was fixed there would be "no coming back for more."

Pay rises in excess would have to be met out of the rates or out of job losses.

For the Government to entertain trade union demands for at least a 17 per cent pay rise would be "disaster road." Afterwards he said that 4 per cent of the current RPI figure was a one-off rise due to the Budget tax changes.

Mr. Alan Fisher, chairman of

the TUC committee, said: "In our view the Government will have to meet the increase in the cost of living, which is likely to be around 17 per cent."

He warned that unless the full cost of the Clegg Commission awards for public service workers was met, authorities might cut their budgets by up to 10 per cent.

Negotiations on behalf of local authority and health service manual workers are getting under way.

The councils will not be able to work out their bargaining strategy this year until the rate-support grant has been announced.

The unions claim a "substantial" increase and a shorter working week.

Pit safety 'inadequate'

OFFICIALS of the Derbyshire region of the National Union of Mineworkers are worried about what they say is a decline in safety standards underground following two reports on the Bentley and Golbourne colliery disasters in which 17 miners lost their lives.

After the area council meeting yesterday, Mr. Peter Heathfield, Derbyshire miners' leader, said standards of safety left a lot to be desired and the council was seeking an immediate meeting with the National Coal Board.

Mr. Heathfield said more capital investment was needed to redesign the underground roadways on which materials are taken to and from the coal face. The roadways were 40 to 50 years old and were used to carry today's machinery weighing up to 20 tonnes.

Steelmen told to rethink claim

BY PHILIP BASSETT AND ROBIN REEVES

BRITISH STEEL yesterday told leaders of its 40,000 craftsmen to rethink their pay demands, the moment they were tabled.

The corporation calculates that meeting the claim would increase labour costs by more than 25 per cent, repeated its performance in response to the Iron and Steel Trades Confederation claim last month and told the craftsmen's leaders it was unacceptable.

The quick and firm reaction to the industry's two major claims indicates the corporation's determined effort to meet the Government's requirement that it break even by Easter.

Leaders of the 40,000 craftsmen presented a package to the corporation which put no figure on the claim but called for substantial increases in pay, improved shift premiums and craft apprentice rates, an immediate

fifth week's holiday and other holiday improvements, and a start in January next year towards staged reduction in the working week to 35 hours, without loss of pay.

● Welsh union leaders warned yesterday after a meeting with the Prime Minister that if workers at the Shotton steel works in North Wales decided to fight BSC's wishes to start running down iron and steel making at the plant in December "the whole of the trade union movement" would fight with them.

Mr. George Wright, general secretary of the Wales TUC, said after the "pretty fruitless" meeting that if people were left to surrender or fight when so much was at stake they would fight, though it is thought many of the Shotton workers are

likely to take what redundancy payments are offered instead.

The Government assured the delegation that it would do everything possible to encourage alternative employment in the area if Shotton is closed. This might include giving it special development status.

Steel unions at Shotton are due to table their reply to BSC's closure proposal in London on November 9. They are due to meet in Shotton tomorrow to finalise details, but it seems certain to take the form of a comprehensive rejection of BSC's closure case, combined with another plan for updating Shotton's steelmaking capacity.

Rumours are still circulating that some form of legal action may be launched soon.

Clothing industry aid urged

BY OUR LABOUR STAFF

UNION LEADERS yesterday told Sir Keith Joseph, Industry Secretary, that they were concerned about prospects for the clothing industries.

The TUC textile, clothing and footwear industries committee presented a memorandum on the future of the industry to Sir Keith and Mr. John Nott, Trade Secretary.

The committee said that in the past six months there was a flood of redundancy notices in the clothing and related

industries. One firm alone had announced the loss of 5,000 jobs.

It stressed the need for a continuing Government role in modernisation of the industries.

Trade and industrial policy should be integrated with the renewal of the Multi-Fibre Arrangement at the end of 1981, the committee said. It called for action against imports from the U.S. based on what it believes to be artificially cheap energy and feedstocks, and for opposition to EEC proposals to

allow "outward processed" imports.

The Ministers agreed that the position regarding U.S. imports was serious and said they believed the EEC would be able to persuade the U.S. Government that this was presenting Europe with a special problem.

The union officials expressed concern that future Government investment and regional assistance plans might be inadequate. The Ministers said these funding arrangements would be kept under review.

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Teachers in colleges 'need 28% more'

By Michael Dixon

COLLEGE TEACHERS—there are about 80,000—need a 28 per cent average pay increase to restore their salaries to the values of five years ago, according to evidence submitted to the Comparability Commission by the unions' side of the teachers' negotiating committee.

The unions claim that lecturers in further education colleges have fallen between 15 and 45 per cent behind the salary relativities established for them by the Houghton Committee in 1974.

In particular, the pay of college teachers responsible for degree-level studies has been rapidly outstripped by the pay of university lecturers.

TR7 output halted

A STRIKE by 500 workers at the Rover Triumph plant at Canley in the Midlands has halted production of the TR7 sports car and forced 4,000 lay-

Firemen expect 20.45% rise

BY OUR LABOUR STAFF

BRITAIN'S 36,000 firemen have asked employers for a 20.45 per cent increase under the final stage of a 1978 peace formula designed to bring their wages in line with skilled manual workers.

The claim would increase basic rates for a qualified fireman with four years' service from £88.30 to £106.36 a week. It will be presented to the employers' side of the Fire Services National Joint Council on Thursday.

Mr. Richard Foggie, assistant general secretary of the Fire

Brigades' Union, said he expected the employers to endorse the union's claim. The settlement date was November 7 and formed the third stage of the 1978 settlement after the firemen's nine-week long strike.

The settlement formula was designed to link firemen to the top 25 per cent of the earnings league for skilled manual workers.

● The FBU said yesterday that London's fire services were inadequate because of cuts. As a result, neighbouring services have had to be called in, demur-

ing their own areas of some fire cover.

Replying to the Greater London Council's discussion paper on the future development of the London Fire Brigade, the union said that many appliances could not be used because they were defective. It is sceptical over the GLC's claim of a reserve fleet of 81 fire appliances and suggests the council should rescind its decision in April to reduce the agreed 1974 levels of cover by 41 appliances.

Postal union may be restructured

THE Union of Post Office Workers, the last Post Office union, is to consider altering its structure in response to Government proposals to split the Post Office into two separate corporations.

A meeting of the UPW national executive council yesterday discussed the possibilities of restructuring and its effects on members. A rules

revision conference is to be held in January.

The 200,000 strong UPW has been opposed for the last three years to separating postal services from telecommunications. It fears that jobs will be threatened and that it would have little influence over telecommunications development. UPW members would be in the postal services which is likely to make a loss.

The Government announced in September its plan to change the Post Office structure which may not be completed until late next year or 1981.

The plan has considerable implications for the Post Office two-year worker-director experiment which ends this year. The UPW has two of the seven worker-director seats on the board.

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UK NEWS—PARLIAMENT and POLITICS

Tougher limits on Brent gas flaring

BY IVOR OWEN

THERE WERE protests from both sides of the Commons yesterday when it was disclosed that so far this year gas from the North Sea has been "flared" at an average daily rate of 668m cubic feet.

This figure—equal to about 15 per cent of the total gas supplied annually by the British Gas Corporation—was revealed by Mr. Hamish Gray, Minister of State for Energy, when he announced new restrictions on flaring in the Brent Field.

He explained that this cut-back, which will continue in the Brent Field for the next three months, would restrict oil production by up to 1m tonnes.

The Minister's disclosure—in oil equivalent terms, 668m cubic feet of gas per day represents 7.5 per cent of UK production in the first eight months of this year—was described by Mr. David Penhaligon (L., Torquay) as a "scandal beyond description."

Mr. Gordon Wilson (SNP Dundee E.) who strongly welcomed the restriction on flaring announced by the Minister, claimed that something like

BRITAIN'S FUEL supplies this winter should be adequate, "given an average winter and no external interruptions in production or supply," said Mr. John Moore, Energy Under-Secretary.

Ministers foresaw no general difficulties but he repeated the call for the "maximum restraint" in energy consumption.

Mr. Joe Ashton, Opposition energy spokesman, warned that although supplies

might be adequate now, there was no guarantee that they might "not suddenly dry up by the first week in December before the OPEC meeting."

If this was the case, warned Mr. Ashton, it would once again lead to the situation where the "people sitting on stocks can make a killing." Mr. Moore retorted that it served as a useful purpose to "encourage and increase fear" about fuel supplies.

argued that it would be preferable to keep more oil under the North Sea than to use it immediately to boost foreign earnings to enable sterling to become a petrocurrency. This would have disadvantages for British exports, he said.

Dr. David Owen, Labour's shadow Energy Minister, called on the Government to ensure that oil companies and garages are not allowed to make undue profits out of petrol.

He protested that price increases made in the summer had been "exorbitant" and that many motorists had been subjected to a rip-off.

Dr. Owen drew attention to the different price levels in EEC countries, particularly the fact that the cost of two-star petrol (before tax) was 48p per gallon in Italy compared with 63.5p in the UK.

Mr. David Howell, the Energy Secretary, argued that it was pump prices on the garage forecourt which really mattered. At the moment, motorists still paid a lower price for petrol in Britain than almost anywhere else in Europe.

1lbm of natural gas had been wasted.

He contended that action should have been taken much earlier to prevent such a waste of resources and complained that the former Labour Government had failed to stand up to the big oil companies.

Mr. Gray, who recalled that the British Gas Corporation and Mobil North Sea had already set in hand a feasibility and design study into a new gas gathering system, stressed that complex considerations were involved.

"The line is narrow," he said. "If the Government had decided to impose restrictions on flaring at an earlier date there would have been a very

real danger that the oil supply situation would have been adversely affected."

Mr. Peter Hardy (Lab. Rother Valley) suggested that the situation was even worse than that described by the Minister.

He claimed that the amount of gas flared in recent weeks was equivalent to about one-third of the total gas consumption in Britain.

Mr. Gray stressed that the Government had taken action at the first opportunity, and promised that the situation would continue to be carefully watched.

On the wider issue of exploration, the Minister reported that in recent months there had been "encouraging signs" of growing

interest in drilling activity.

The Government had not been satisfied with the position it inherited from its predecessor and had removed certain arrangements which it believed had discouraged exploration.

Mr. Peter Viggers (C Gosport) asserted that exploration was 65 per cent up this year on 1978. Mr. Gray agreed that there had been a decided upturn in interest.

The number of exploration wells drilled over the past four months numbered 13 compared with seven in the corresponding period last year.

Questioning the Minister about the Government's depletion policy, Mr. Robert Sheldon (Lab. Ashton-under-Lyne)



CUTS CONFERENCE: Stuart Holland (left), John Tilley and Ted Knight.

Walker rules out lamb ban retaliation

RETALIATION against France's decision to ban imports of UK sheep meat was ruled out last night by Mr. Peter Walker, Agriculture Minister.

"I do not believe that retaliatory action by the UK is the right response if France continues to ignore the judgment of the European Court," he said in a written answer.

"The European Commission is responsible for upholding the treaties of the European Communities and I am pressing the Agriculture Commissioner to take immediate action with the French Government to ensure that the judgment of the European Court is respected."

Mr. Walker said he had asked the French Minister of Agriculture whether he intended permanently to allow free access to the French market—free of all levies and restrictions—of imports of UK sheep meat.

"From the information I have received, it appears that this is not the case and if so, the Community remains in a situation of crisis."

REFUGEE CUTBACK: Britain is to stop taking in large numbers of refugees from Latin America, William Whitelaw, Home Secretary, announced in the Commons yesterday.

The special programme for Latin America, introduced in 1973 following events in Chile, had resulted in the admission of more than 3,000 refugees. The number of applicants had dropped this year and pressure had grown to accept refugees from other countries, particularly Vietnam. The Latin America programme was therefore to be closed.

Delay in publishing education proposals

A FORTY-NINE minute hold up in the operation of the Whitehall machine led yesterday to uproar in the Commons and charges against the Government of irresponsibility, arrogance and incompetence.

The crucial delay was in the publication of the Government's controversial Education Bill.

At 12.19 pm last Friday, the House finished its business and went home—some four hours earlier than expected.

At 1 pm, copies of the Bill, which covers vital issues like school meals and transport and State assistance for places at private schools, arrived at the Commons.

Parliamentary custom dictates that MPs should have two full weekends to ponder a major Bill between its publication and its second reading debate.

The Government wants the second reading of its Education Bill next Monday, clearly not obeying the tradition resulting in Opposition fury.

"The Government is behaving in an irresponsible and cavalier manner, disregarding the Opposition and the established conventions of the House," bellowed Neil Kinnock, shadow Education Secretary.

How could MPs do their job properly if they received Bills at such short notice? "Parliamentary relationships if custom is scrupulously conformed to and not twisted to suit the Government."

Norman St. John Stevas, Commons leader, explained that a handful of copies were available on Friday morning and the rest arrived shortly after the House rose.

Mr. Jim Marshall (Lab. Leicester S.), claimed that Government officials had tried to delay the 6.30 pm mail van from the Commons.

Lambeth outlines cuts campaign

THE LONDON borough of Lambeth is emerging as the Labour-controlled authority which will spearhead the campaign against the cuts in local authority spending.

At a Commons meeting yesterday, Mr. Ted Knight, council leader, outlined plans for a campaign against the Government's requests for cuts in local government spending—totaling £300m this year—which will bring together trade unions in the public services sector and other Labour-controlled local authorities.

Lambeth itself has refused to implement cuts of more than £3.5m in the current year and Mr. Knight warned that further reductions in the level of rate support grant to the inner city borough could result in rate rises of up to 50 per cent next year.

The council backed by local trade unionists and other Labour councils, is planning a march on the Commons on November 7.

Council leaders see this as the start of a concerted campaign within the Labour movement against the cuts in public spending—including those in the health service.

The march has the support of the TUC and local Labour MPs.

Mr. Knight said that the Lambeth council—one of the seven inner city partnership areas—was not prepared to see council services cut because of Government spending policy.

Mr. Bill Shelton, Conservative MP for Lambeth, Streatham, who also attended the meeting, said he believed Lambeth should be making the cuts.

Move to discover who controls casinos

BY JOHN HUNT, PARLIAMENTARY CORRESPONDENT

THE GOVERNMENT is to seek changes in the law to enable the Gaming Board to penetrate the "corporate veil" surrounding gaming casinos, Mr. William Whitelaw, the Home Secretary, told the Commons yesterday.

This would help the board to find out who really controls the casinos and, if necessary, to take steps to exclude criminals and other undesirable.

"It cannot, unfortunately, be said that the gambling scene in this country is now free from all criminal elements," he explained. "The increasingly international nature of the industry adds to the risk."

Gaming, said Mr. Whitelaw, was the most serious aspect of the gambling business.

"It is here that the risks of invasion of the gambling scene by criminals is probably the greatest."

The Home Secretary was speaking in a debate on the mammoth report of the Royal Commission on Gambling, which reported in July 1978 with 303 recommendations.

In relation to gaming, he said that some recommendations of the Commission should be put into effect as soon as the law can be amended.

Casinos should be required to provide the Gaming Board with audited accounts at regular intervals and this should also apply to bingo clubs.

In addition, the board should be notified of changes in control of companies operating gaming establishments.

Mr. Whitelaw found it difficult, however, to accept the Commission's suggestion for the revocation of the regulations which specify the areas where casinos are permitted to operate.

"I doubt whether it would be right to allow any significant addition to the number of

Run of bad luck . . .

BY JOHN HUNT

MR. MERLYN REES, Shadow Home Secretary (right), has been putting in some intensive homework for last night's debate on gambling.

For several weeks past, he has been playing the fruit machines along the M1 and M4 motorways.

Reporting his findings to the House, he commented: "I can confirm that the law of averages does not work."

Changing his venue, he went to a working men's club in London.

Facing yet another run of bad luck he decided to quit and handed his final 10p to one of the members.

"He put it in and got the lot," said Mr. Rees glumly. "Unfortunately, by that time I was out through the door."

But according to Mr. Bob Mellish (Lab. Bermondsey) the basic principle is very simple.

"You just hope that everyone in front of you has lost and that you are the bloke who is going to win."

casinos already operating in this country," he declared.

On most of the other aspects of the Commission's report Mr. Whitelaw made it clear that the Government still had an open mind.

Any legislation, on the generality of the report was some way off, he hinted.

He emphasised that public expenditure constraints applied in this as in other fields.

"Some direct supervision and monitoring of gambling activities by the central Government is obviously needed. But the resources for this, as for other Government functions, are and must be limited."

On these grounds, he turned down the Commission's proposal that the Home Office should become a central agency actively concerned with the supervision of all forms of gambling.

He also rejected the suggestion that his department



should fund a gambling research unit to monitor and study the incidence, sociology and psychology of gambling.

His department was, however, preparing a new publication to collate and collect statistical information about the various forms of gambling.

Other points in the Home Secretary's speech:—

Lotteries: New regulations are now being worked out for tighter control of local lotteries. He agreed with the Commission's call for prevention of commercial exploitation, improved control of lotteries and lottery tickets.

Although there was no prospect of legislating on this during the present session, his department had sent out a consultative document containing proposals for new regulations which would go some way to

achieve the objectives of the Regulations.

The regulations would ensure that tickets and advertisements did not make it seem that lotteries were being promoted by commercial firms rather than local authorities, charities or cultural bodies.

Nevertheless, he rejected the Commission's proposal that societies and local authorities should be prohibited from employing agents to run the lotteries.

The Government, said Mr. Whitelaw, had reached no conclusion on the proposal for a national lottery.

But he had doubts about the suggestion for a national lotteries board of 10 members.

He saw this as the establishment of another quango.

The Commission had been highly critical of local lotteries, alleging wholesale disregard of the law and "a good deal of

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THE JOBS COLUMN

Plain need for international understanding

BY MICHAEL DIXON

TODAY'S COLUMN was brought close to a dead stop by headhunter Richard Robinson of the Otteridge consultancy. Having blithely told me that he urgently needed to fill a job importantly concerned with "150 TCNs/AFSEs," he disappeared beyond call.

Dumbfounded by the acronym, I ferreted about the FT's sparsely populated Sunday-night offices in search of enlightenment; but in vain. Telephone calls to external acquaintances served merely to spread the bewilderment. Even the most erudite of my colleagues, when asked did he know what TCNs/AFSEs were, could reply only: "Not really." I assured him that if ever I managed to find out, I would let him know.

Fortunately at daybreak (morning-paper journalists' time) yesterday, Mr. Robinson was appended in his office. He seemed surprised that the acronym should give a moment's pause to the Jobs Column and its readers. He had been most impressed by the wide ranging knowledge of those who had responded to his job-offer in this space last June and...

"But what about the 150 TCNs/AFSEs?" I inquired pointedly.

Well they would be highly important to the international personnel specialist Richard Robinson was seeking, he

said, because they contributed mightily to the profits of the employing group—an international leisure-clothing business. But in another way they were only a small part of the job because they were outnumbered by some 7,000 direct workers even in the group's Eastern Hemisphere division based in Brussels where, of course, the recruit would largely work.

By this time I was beginning to wish that I had taken up some more simple career such as economic forecasting. "But I mean: what the devil are TCNs/AFSEs?" I stammered. And he finally spelled them out.

A TCN is a "third country national": for example, a German manager employed by a United States company to work in France. An AFSE is an "American foreign service employee" such as might be sent out by the same company to work in Greece.

Mr. Robinson further explained that neither kind is precisely an expatriate. This is because an "expatriate" is, strictly speaking, someone who goes away to work in one overseas country, whereas TCNs/AFSEs are employed to be transferable between various foreign lands. (We live and learn, although I am not always convinced that it is worthwhile.)

Even so, the people who will henceforth be known in this

column as transferable expatriates will certainly be an important concern of the manager needed to take charge of pay, perks and the like throughout the leisure-wear group's 37 business operations in 17 countries in Europe, Africa and the Middle East.

Suppose, for instance, that the aforesaid German manager was to be transferred from France to Italy, and the aforesaid American executive from Greece to North Africa. The newcomer must know, or be able to find out quickly, how best to adjust the two managers' salaries and benefits so that each was treated fairly.

Suppose, too, that a plant in Spain was facing 15 per cent inflation. The recruit would have to advise the plant's management whether it ought to compensate its direct workers with an automatic increase, or to negotiate on the issue.

Another typical problem might be to set up a programme of job-rotation covering the Eastern Hemisphere division's operations, and set it up so as to ensure that the Brussels headquarters could subsequently make coherent sense of the results.

Mr. Robinson seems convinced that people with practical experience of solving such problems are among the Jobs Column's regular readership. Candidates could well already

be employed in similar work in Continental Europe, but they could equally be in the UK or the U.S. Fluency in the main European languages would be an advantage, but it is not essential.

Since the division's British personnel director—to whom the new compensation and benefits manager will be responsible—is 35 years old, candidates should preferably be aged 28 to 32.

As if the acronym were not enough, Richard Robinson also mystified me somewhat on the matter of salary. This, according to his original, hastily written message, was for negotiation "around 1.25 Belgian Francs." Was this sum to be paid weekly or monthly? I asked during our telephone conversation yesterday.

It turned out that the burbling typist had missed out the letter "m" after the 1.25. So the newcomer will really be paid about a million and a quarter francs, which I gather puts this job in the £20,000 arena. Relocation, removal and temporary accommodation expenses will be paid. Perks are of the normal Continental-executive variety.

Readers interested should send brief details of their relevant experience to Mr. Robinson at Otteridge and Co. 199 Knightsbridge, London, SW7; telex 24788. Inquiries may be

telephoned to him at 01-589 1444. Since he may not name the client, he guarantees to abide by any applicant's request not to be identified to the employer until specific permission is given. The same applies to the headhunter dealing with the following pair of jobs.

Money mentor

The first is with a U.S.-owned bank's subsidiary which specialises in advising clients, whether organisations or individuals, in various countries on what best to do with their surplus funds.

The person being sought by John Williams of the Whitehead consultancy will be concerned with advising the clientele in the oil-producing Middle East. But as well as needing particular understanding of that area's currencies and economic climate, candidates will require a professional's appreciation of economic trends generally throughout the world.

Based in London, and responsible to the bank's European-region vice-president for foreign exchange, the newcomer will spend about two to three months each year in the Middle East. Provided that they are culturally transferable to work in this way, candidates could currently be working virtually anywhere. Mr. Williams sees the ideal

candidate as someone already in a comparable role, with strong experience of practically directed economic forecasting and much practice at making and maintaining high-level international contacts.

An appropriate graduate-level qualification is desired. Fluency in Arabic would help, but is not necessary.

All this seems a lot to expect for someone in the preferred 28-32 age range. So while Mr. Williams specifies the salary bracket as £14,000 to £16,000, I personally feel that the bank might need to go higher. Usual, City-type perks.

He is also seeking someone aged 30 to 55 who has successfully managed a bigish oil-exploration or production concern, to work in Brasilia as adviser to a State-owned oil corporation.

Familiarity with all aspects of that kind of business—both offshore and onshore and including dealings with senior members of Governments, contractors, and so on—is required. Pay £25,000 to £30,000 tax free. Perks include generous living and accommodation allowances.

John Williams would prefer initial inquiries about either job to be telephoned to him at 01-580 0191. Written outlines of relevant careers may be sent to him at Whitehead Technical Services, 21 Wigmore Street, London W1H 9LA; Telex 27789.

Opportunity in Spain

Major U.S. multinational bank for its Spanish operation, based in Madrid, is looking for an

EXPERIENCED FOREIGN EXCHANGE DEALER

- Full command of Spanish and English.
- Knowledge of Spanish interbank market.
- Minimum experience five years, of which the last two at least as a senior member of the ex trading and treasury operation.

- Personal contacts in the Spanish financial markets and good knowledge of Bank of Spain's regulations.
- Salary commensurate with ability.

- All applications will be treated with strictest confidentiality.
- Send résumé with photograph to Mr. Paniagua, Nuñez de Balboa 70—1º Madrid 6, Spain.

CHARTERED ACCOUNTANT CITY OF LONDON c. £10,000

A large and expanding property investment and development group with overseas interests is seeking a qualified accountant, preferably with commercial experience. The successful applicant will report to the Chief Accountant and will be responsible for the preparation of accounts and the provision of financial information, budgets and forecasts. A knowledge of computers would be useful. Candidates should have the ability to supervise and organise the work of a department and to assume a more demanding role in the future.

Salary will be negotiable in the region of £10,000 according to experience and benefits include life assurance and contributory pension scheme; BUPA; four weeks' holiday and modern office accommodation. Write (in strict confidence) enclosing detailed c.v. to: The Chief Accountant, St. Martins Property Corporation Ltd., Adelaide House, London Bridge London EC4R 9DT.

£6,000 accountancy appointments £9,000

Young Accountant

Line Management Opportunity London E.15., £8,000 + car

This appointment should appeal to the bright young qualified accountant seeking broad experience in order to make rapid progress. Our client is a manufacturing company, turnover £2.2m, which is part of a highly successful private group providing services and equipment to the printing industry. Under the direction of the Financial Controller, you will manage

a medium sized department and be responsible for a wide range of activities including both management and financial accounts and their analysis and interpretation. The need to investigate and improve existing procedures together with the identification and introduction of computerised systems, where appropriate, will add to the challenge of the role.

E. Sutton, Ref: 17086/JF.

Male or female candidates should telephone in confidence for a Personal History Form to: LONDON: 01-734 6852, Sutherland House, 5/6 Argyll Street, W1E 6EZ.

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£6,000 accountancy appointments £9,000

These advertisements appeared in the Financial Times on 23rd Oct., 1979

Job Title	Salary	Location	Advertiser
Accountants	£7,350-£8,900	Bristol Edinburgh Liverpool Nottingham	Inland Revenue
Young Group Accountant	—	London NW2	Tuder Photographic Group
Financial Accountant	£9,000	Central London	Roland Orr
Ambitious Cost Accountant	£8,000	NW London	International Appointments Ltd.
Insurance Auditors	—	City	Dunlop & Badenoch
Systems Tax Springboard	£8,000-£10,000	C. London	Robert Half
Finance Manager	£8,000 + Car	N. Home Counties	Robert Half
Assistant to Financial Director	£8,500	NW London	Robert Half
Management Accountant + Mortgage	£8,500	City	Robert Half
Assistant Financial Accountant	Up to £7,000	West End	RSVP Recruitment
Assistant Accountant Recently Qualified	£6,000+	Enfield Middlesex	Hartley Cooper
Qualified Accountants	£7,500	Birmingham area	c/o St. James Advertising Co. Ltd.
Part Qualified Accountant	£6,000	London	National Union of Journalists
			Prime Appointments

For the full text of the advertisements please see the Financial Times of that date or telephone Sally Stanley on 01-248 5597

AMERICAN OIL GROUP ACCOUNTANT PT. QUL

Due to promotion our client, a Major American Exploration and Petroleum Company, requires an ambitious part-qualified accountant. Working in the Internal Financial Control Dept., the candidate will assume responsibility for five staff in the control of exploration and development projects. Applicants should have an excellent educational background and the desire for head management responsibilities. Age 22+, Salary circa £6,000.

Call 01-637 9922 Prime Appointments

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RECENTLY QUALIFIED

A privately owned, City based firm of Commodity and metal brokers is seeking a young, commercially orientated Chartered Accountant to assist the Financial Director on special projects and routine accounting work.

Essential requirements are:—

- ★ Fundamental knowledge of Accounting and Computing Systems
- ★ Ability to think laterally
- ★ Enthusiasm, initiative and diplomacy

CIRCA £8,000 PLUS BONUS

Write with c.v. to:—

Box A.6943, Financial Times, 10, Cannon Street, EC4P 4BY

FINANCIAL CONTROLLER

required by an electronics firm in Welwyn Garden City To take charge of day-to-day accounts, budgeting and forecasting. The right applicant will have the opportunity to develop with this relatively small company, as well as a responsible and rewarding job from the outset. Automation of company book-keeping is currently in hand and Data Processing knowledge would be helpful. Salary negotiable, but in the region of £8,000. Reply in confidence to: Box A6967, Financial Times, 10 Cannon Street, EC4P 4BY

RECENTLY QUALIFIED

Birmingham area c. £6,500

The Head Office of a major public company located in the West Midlands and with factories operating throughout England and overseas, requires a Financial Accountant. The position is best suited to a recently-qualified Chartered Accountant who is looking for his/her first commercial position.

The successful applicant will gain valuable experience in all aspects of financial accounting including the preparation of consolidated accounts, taxation and exposure to the practical application of accounting standards.

Opportunities for promotion within the Group are excellent. The competitive salary is around £6,500 (negotiable) and general working conditions are first class.

Please reply to: Box No. 56, c/o St. James's Advertising Co. Ltd. The Rotunda, New Street, Birmingham B2 4PA

CHARTERED ACCOUNTANT

The London Branch of a leading West German Bank is seeking a Chartered Accountant with Bank Audit experience (with particular emphasis on Foreign Exchange Accounting) in order to develop the branch's Management accounting system and operational procedures.

An attractive salary and excellent working conditions and fringe benefits are offered.

Please contact Mrs. Loveday with brief details of career to date. WESTDEUTSCHE LANDESBANK GIROZENTRALE 41 MOORGATE, LONDON EC2R 6AE. TEL: 01-638 6141

KEY POSTS IN LOCAL GOVERNMENT

On the retirement of the present Town Clerk and Chief Executive (21 May 1980), his duties are to be assigned to two separate key posts. The Council now wishes to appoint the following:

Chief Executive £16,146 - £16,992

who, freed from the departmental responsibilities imposed by the statutory functions of Town Clerk, will be able to concentrate on leading policy implementation, and co-ordinating the work of all Council departments.

Although no specific academic or professional qualification is required, applicants for this Key Local Government post must be able to demonstrate considerable and extensive administrative experience and attainments, and to possess a thorough practical knowledge of local government or public administration.

Salary (which is currently under review): £16,146, rising by three increments to £16,992, and subject to the terms and conditions of the Joint Negotiating Committee for Chief Executives of Local Authorities. A car allowance is also payable.

Director of Law and Administration £13,401 - £14,247

to assume the statutory functions of Town Clerk (including election duties), together with legal and other administrative duties.

Applicants must be Solicitors with extensive knowledge of local government law and administration.

Salary (which is currently under review): £13,401, rising by three increments to £14,247, and subject to the terms and conditions of the Joint Negotiating Committee for Chief Officers of Local Authorities. A car allowance is also payable.

Further information concerning these posts can be obtained from the Town Clerk and Chief Executive, Brent Town Hall, Forty Lane, Wembley (tel. no. 01-903 1400, extn. 8289). Applications, which must be returned to the same address by 28 November 1979, should include a CV, and an indication as to what positive contribution the applicant could offer to Brent.

London Borough of BRENT

Für den Ausbau unserer Aktivitäten im Sekundärmarkt suchen wir einen qualifizierten

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Schriftliche Bewerbungen erbitten wir unter diesem Stichwort an die Commerzbank AG, Direktion Zentrale Wertpapierabteilung, Postfach 2534, Neue Mainzer Strasse 32-36, 6000 Frankfurt am Main.

COMMERZBANK

Advertising Salesperson

Knowledge of financial and business publications preferable. Must be fluent in German and English and willing to travel extensively. Initiative and desire to succeed imperative. Applicants must be U.K. citizens or citizens of EEC country. Salary open plus bonus.

Denise C. Coleman Institutional Investor (Europe) Inc. 28, Great Queen Street, London WC2B 5BB Tel: 01-404 5232 or 01-242 9598

BOOK-KEEPER/CASHIER

A vacancy has occurred for a Bookkeeper/Cashier in the corporate accounting department of an expanding City investment house. Experience in double entry bookkeeping necessary and knowledge of computer-assisted accounting useful. The person appointed will be aged over 23 and have drive and initiative to deal with senior management.

Salary £4,000-£4,500 dependent on age and experience plus excellent staff benefits. Please write or telephone Mr. Ellis, 01-588 3623 Henderson Administration Limited, 11 Austin Friars, EC2

ERNA LOW REQUIRES

AN OPERATIONS MANAGER

We require an active and experienced operations manager to fill this new senior appointment. The manager will be responsible for planning, costing and operating the specialised summer tour programme and must have a good knowledge of charter as well as scheduled air traffic.

This is a progressive post for the applicant and a good salary will be negotiated.

For full details write or telephone The Managing Director ERNA LOW LTD. 21 Old Brompton Road London SW7 01-581 3211

INTERNAL AUDITOR

Established American bank requires an experienced auditor to join a successful team partnership performing audit functions throughout Europe. Banking qualifications or relevant degree desirable, allied to a thorough knowledge of city operations. Preference will be given to applicants with a European language.

Ring Mr. Hugh Joslyn 405 8824 Private Appointments

MIKE POPE MONEY MANAGEMENT APPOINTMENTS

Currently we are seeking for various Money Brokers, experienced Sterling and FX Brokers also Telex Dealers

Please apply Mike Pope 236 0791 30-31 Queen Street EC4

MECHANICAL DESIGN ENGINEER

London based affiliate of offshore oil company seeks an excellent engineering qualifications and experience of petroleum industry for design and market research. Applicants must be able to communicate with top level oil industry technical and sales personnel and evaluate client requirements. The appointment will be based in London but must be prepared to travel extensively in Europe and the East. Some time at short notice. The salary and benefits offered are commensurate with the high standard of competence required. Write for a CV to: Regional Director, 10, Cannon Street, EC4P 4BY.

CREDIT ANALYST

Int. bank. Some travel. Languages useful, French, Spanish—£8,000 negotiable.

SECURITIES CLERK

City bank, Age 23-26, Salary to £6,000. Mrs. Lee, Lee Personnel Consultants 01-408 1044.

SEPTEMBER 78-1 was broke, Nov 1 drive a Rolls Royce a house in London, a boat in Sussex. If you are 28-35 you can't be a star. Salary 100k on 057 1845, 056 1482.

EXHIBITIONS

25th KENSINGTON ANTIQUES FAIR, Tues. Oct. 30th to Sat. November 3rd at The New Town Hall, Victoria St. W. Opening day 12 noon to 8 pm, other days 11 am to 6 pm, last day 12 noon to 5 pm. Bar and Restaurant. Telephone 01-977 2827.

Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHÖETERS

COMMUNICATIONS Watches over big systems

TESDATA, whose central processor and peripheral monitors are helping the users of large IBM machines to raise machine throughput by significant factors, has filled the only gap remaining with the development—both lengthy and costly—of its telecommunication management system.

The MS 109 dovetails into what Tesdata calls AMS which is a total resource management system suitable for even the largest computer users.

It is able to measure up to 256 telephone lines working at speeds up to 960 bps and as many as 2000 control units or terminals. A single AMS can handle up to 2048 telephone lines via eight 109 systems.

Measurements cover total messages, message sizes and total characters; response time and number of response times over threshold; number of lines in use, line downtime and network downtime.

Tesdata House, Hatfield Road, Slough, SL1 1QR 0753 71961.

A student on a microprocessors programming course organised by Bleasdale Computer Systems, controls the movements of a small robot which "obeys" orders from software developed during the teaching sessions. Bleasdale and the National Computing Centre have just signed a contract that awards the former £214,000 under the Department of Industry's Microprocessor Application Project (MAP) for use in developing and providing equipment for nine courses on the application of microprocessors in industrial systems. Apart from its training courses for companies wishing to build up their own capability for developing systems Bleasdale also carries out feasibility studies and assists in the design of both hardware and software for automation and process control. Full details can be obtained from the company at 7, Church Path, Merton Park, London SW19 0JZ (01-823 6661).



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EDUCATION Makes it easier to find the right word

BRAINBANK is described as a "pocket companion following on from calculators and mini TVs."

It is a learning aid, phrase book and translator for foreign languages; a library of general knowledge, education and entertainment topics; and a personal filing system combined.

The basis of the Brainbank is a series of plug-in interchangeable memory cells. These provide this hand-held, microprocessor-based machine with an extending store of information.

For students, travelling businessmen and holidaymakers, it can work as a learning laboratory for foreign languages with immediate word to word translation of up to three languages at a time.

Each language cell holds 1,200 of the most frequently used words which can be stored both in alphabetical order and by groups of up to 50 in categories such as travelling, clothing, and food.

Operation is via an A-Z keyboard, plus numerals and punctuation. The unit is also programmed with 25 complete and 25 partial phrases which can be added to give full sentences, for example: "May I introduce..." "I'd like to say..." Thus a degree of instantaneous translation is available at the touch of a key with foreign equivalent being displayed in bright green letters on a 16 character screen which can be rotated at different speeds to assist comprehension.

Brainbank can correct spelling errors, identify and explain words with double meanings (eg watch-clock, watch-see) and has a "phonetic" cell to aid pronunciation.

Currently six language cells are on sale—English, French, German, Spanish, Italian and Portuguese, with Japanese and Arabic due in the next few weeks. All the remaining major languages will be available during the next four months.

Recent technology advances have enabled the storage capacity of new cells to be dramatically increased as much as eight-fold, to 8,600 words.

REFRIGERATION Records long messages

RECORDACALL (Thorn Group) has a new telephone answering machine, the TA12, for heavy usage, where messages may be many and lengthy.

Press-button control keys allow the message recording tape to be activated instantly and facilitate quick changes in the answering announcement. A signal light glows to show when messages have been recorded.

Messages are received on a standard C90 tape cassette and are played back at the touch of a button through the built-in loudspeaker, or through an optional audio headset, if they need to be transcribed.

When very high handling capacity is necessary, more than one TA12 can be linked for telephone answering, message recording and audio data transmission. Recordacall offers a free service to analyse each individual requirement and to recommend a tailor-made system to meet it.

TA12 is designed to Post Office standards and is available from Recordacall, Romes House, 119, Gordon Road, London W13 8PR (Tel: 01-998 6292).

WOODWORKING Shapes timber fast

SPECIALIST IN machinery for the processing of solid timber, Zuckerman KG of Vienna is to exhibit its Challenger low-priced copy-shaper-sander at Interbuild in Birmingham, December 2-8.

Standard model is a single-spindle machine which accepts a hopped-end workpiece up to 43 x 84 x 84 inches. The fully automatic production cycle, depending on the complexity of the object being produced, can be less than a minute, and rarely exceeds two minutes for complex shapes.

Set-up time is minimal—a matter of seconds, says the company, or at the most a few minutes.

Machine operates from an enlarged cast-iron master and this can be prepared at any suitable foundry from an oversize wooden master which the machine itself prepares. A template is also prepared to control the shaping speed which is automatically varied according to the complexity of each part of the shape being copied.

Extra feature of the machine is that it sands the shaped component so finely that it is immediately ready for the finishing process.

Distributed in the UK through Riverlock, Moneyrow Green, Holyport, Maidenhead, Berks. (0268 37648).

DATA PROCESSING Returns made on time

COMPANY annual returns can be handled by a new service designed by CIS (statutory) for chartered accountants, chartered secretaries, banks and others responsible for completing such returns on time, as demanded by the Companies Act in respect of companies with share capital.

The scheme has been devised jointly by CIS Computer Time Services which provides a variety of computerised services used exclusively by practising accountants, and by Amalgamated Registrars and Associates, Stanley Davis (Company Services) which specialises in company formation and search. It has been designed to free trained staff from the repetitive tedium of completing and checking "form 6a."

On receipt of the relevant details—or of an updated copy of the last return—CIS (Statutory) will produce a computerised return in quadruplicate, to a layout and style which

BANKING Keeping up with money markets

OVER THREE centuries ago Cervantes said: "Money you know will hide many faults" (Don Quixote). The problem facing international bankers today is knowing where the faults lie with their money....

This may be in the wrong place, at the wrong time, with the wrong people, and as the world grows smaller, and banking activities expand globally, it is vital to employ a system that not only keeps up with speedily moving money markets but can also immediately reflect the effect of national and international transfer of payments.

One sure way of detecting a fraud, perhaps saving fortunes, or just recouping the money from what threatens to be a hazardous situation, is ABC—integrated management and communications systems for banking and commercial applications—says Arbat, 160, Queen Victoria Street, London EC4 (01-248 6499).

This is the realisation of a concept that was born some five or six years ago when bankers had purely localised baby systems. ABC provides a specific system relative to all areas of activity within the banking fraternity by marrying together data processing, telecommunications and advanced office products into a single integrated system based on the PDP-11 series from Digital Equipment Corporation.

At the flick of a switch, bankers can find out where they stand all over the world (saving hours or even a day over other systems), minimise staff efforts, improve its decision criteria and enhance the service it offers to customers.

Moving away from the money market, the company is expanding and adapting the system to penetrate other areas such as the oil companies, leisure industry, engineering and governments etc. Within a year it expects to allocate 10 per cent of its turnover (presently just under £5m) to the commercial world.

DEBORAH PICKERING

Fast entry of data

SCAN-OPTICS, through its UK subsidiary, SO Systems, is putting high speed optical capture of data, including hand-printed numerals, within the range of smaller companies, with the introduction of the OCR System 515.

The unit is intended for data entry in either centralised or decentralised intermediate volume installations. It will function in a normal office environment, and may be operated by office personnel without special training.

Components include a mini-computer, scanner, video terminal display and keyboard, and floppy discs for program and data storage. Options include communications, magnetic tape output, and audit trail.

An off-line, complete stand-alone system, it is capable of processing both pages and documents commonly used for business transactions.

The 515 can read a variety of OCR forms as well as hand print. Maximum document throughput is 60 documents/min and maximum page throughput 7.5 pages/min.

On-line video image display/character insert allows easy checking and correction of rejected and suspect letters or numerals.

SO Systems, 36 Sunbury Cross Centre, Sunbury, Middx. Sunbury 88881.

Control of investments

ANNOUNCEMENT of the removal of exchange controls could provide a major outlet for a CMG Computer Management Group product, a computer system to handle the accounting and management control of investment portfolios relating to any stock exchange in the world.

Abolition of controls may increase the accounting and management controls required in handling investment portfolios, and there will be greater activity in overseas shares, so efficient management control of portfolios will become even more essential.

Based on the INVEST system originally designed by CMG (City of London), and which has been successfully used for a number of years by many of the top British insurance companies and pension funds, the new version of INVEST has been freed from its sterling base and made currency independent, enabling the user to define the base currency.

The computer software can be bought outright to run on most of the major manufacturers' computers anywhere in the world. It is also offered as a bureau service in the UK, Holland, Belgium and Germany.

Management of shares within the portfolio is not restricted to any one currency. Once the base currency is defined as far as the overall accounting management is concerned, securities within a portfolio can be dealt with in other currencies.

CMG, Eastgate, 53-73 Leman Street, London E1 SE7. 01-481 3881.

The Post Office is publishing, free of charge, copies of a series of specially commissioned articles by independent experts, dealing with the distribution of small freight and parcels. The seventh in the series is summarised here; it is by J.D. Edgeley, Marketing Controller, British Mail Order Corporation.

Mail Order and Prestel.

Dramatic increase
The average annual increase in mail order turnover since 1966 has been 14%. By 1978 the total sales of mail order houses in the UK had reached over £2000 million—and the bulk of this is from agents selling from catalogues.

Current procedures
During the last few years, the principal mail order companies have developed computerised systems which use Video Display Units to transfer orders from agent to computer.

These systems provide an immediate means for checking correctness. They make clear which items are out of stock, so that only orders which can be fulfilled are passed through from computer to warehouse via despatch notes. They also eliminate the need for separate order forms for merchandise held by different warehouses and manufacturers as the computer program ensures that the various items are sorted and printed out on the appropriate despatch notes.

The promise of Prestel
The Post Office's Prestel system opens up exciting possibilities for mail order companies; it creates the opportunity to experiment with a new technology at relatively low cost.

That is why GUS, one of the biggest catalogue agency companies, is carrying out an in-depth test of the potential of Prestel in mail order.

Market trial
GUS are sponsoring the installation of Prestel sets in the homes of a selected group of their agents. These

sets are specially modified 12" black-and-white models rather than the standard Prestel colour sets, so as to accommodate the GUS catalogue's alpha/numeric reference code.

The sample installation will be supplemented by sets installed in some of the GUS group's stores and the homes of agents who subscribe independently to the Prestel service.

Prestel, will, in effect, put the agent on line to the computer. Confirmation of orders or notification that a requested item is out of stock will be instantaneous.

The standard order procedure will be by-passed, producing substantial savings in staff and equipment through reduced Video Display Unit requirements in company offices.

There will be gains in flexibility, too; it will be a great deal easier to offer relatively low-quantity lines, sale goods, special offers.

The future
The massive and exciting implications

for Prestel in mail order have yet to be fully realised.

The main influence must inevitably be the extent to which the Prestel service penetrates ordinary households.

In theory the need for printed catalogues could be eliminated altogether, though in practice this seems highly unlikely.

What is certain is that the advent of Prestel will make even brighter the already bright future of mail order.

The Justice Williams, HERBERT* Room 434, Postal Headquarters, St. Martins-in-the-Fields, LONDON EC4B 1BE

Please send me... copies of the full article Mail Order and Prestel by J.D. Edgeley, Marketing Controller of the British Mail Order Corporation. I would also like copies of the previous articles in the series.

(Indicate samples required in box) FT/29/10
Can vehicle fleet costs cover carriers' prices
The future for mail order in the UK
Packaging cost versus the costs of replacement
Opening and developing an export market
The future role of depots in a distribution network
Entering the mail order market

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THE MANAGEMENT PAGE

EDITED BY CHRISTOPHER LORENZ

Darrell Delamaide reports on a ten-year survey of company performance in Europe and the U.S.

Nothing going for mergers

MERGERS do not increase profitability, do not improve efficiency and, in fact, do not seem to have any social value at all.

These are some of the conclusions drawn by researchers from seven countries working on a project co-ordinated by the International Institute for Management and Administration (IIMV) in Berlin.

General popular hypotheses about the causes and effects of mergers were found to be unsupported by the data gathered for these seven countries.

Burden of proof

Governments and regulatory agencies, continue the researchers, should therefore keep a closer eye on merger activity and perhaps impose greater restraints.

Findings and recommendations such as these are bound to fuel the public debate about industrial concentration not

only in Germany and other European countries but on the EEC level as well. Other institutions participating in the study, under way since 1975, are the University of Cambridge in the UK, the University of Maryland in the U.S., Ecole Supérieure des Sciences Economiques et Commerciales in France, Catholic University of Louvain in Belgium, University of Tilburg in the Netherlands, and the Business and Social Research Institute in Sweden.

The researchers concede differences arising from historical development and institutions in the countries examined but nonetheless find certain general patterns emerging from the data, which was gathered according to a common methodology for the five-year periods preceding and following a merger.

The data shows that there is no clear correlation between merger activity and improved profit performance. In Belgium, the UK, U.S. and Germany, says the project summary, "merging firms achieved a slightly better post-merger profit performance than did comparable firms not involved in mergers."

Nor do mergers seem to bring any increase in efficiency that can be passed on to the consumer in lower prices—theoretically enabling the acquiring company to achieve a relatively faster turnover growth.

Anticipating the charge that five years following a takeover

might not be adequate to judge the effects on profit or growth, the researchers examined data on rate of return on the shares of acquiring firms—reasoning that the stock market would reflect longer-term expectations for these companies.

The project data was equally negative regarding the classical motivations for mergers. The notion that smaller firms join together to achieve economies of scale and become more competitive ran contrary to the finding that "acquiring firms are larger than randomly selected firms from their industries."

This image of a hunger giant swallowing up smaller firms emerges consistently across all seven countries, project analysts claim. Acquiring firms tend to be large fast growing, highly leveraged companies relative to the firms they acquire and often relative to randomly selected control group companies.

No clear patterns on risk diversification emerged from measuring variances in profitability for both acquiring and acquired firms before and after a merger.

Aggressive management

"It would appear," write the analysts, "that leverage is in some other way related to mergers. If we interpret high leverage as symbolic of aggressive management and a tendency to pursue growth, then it would appear that acquisitions are made by aggressive management."

Many other hypotheses—whether, for instance, acquired firms tend to be weak or even threatened with extinction, produce much more nuanced data. And the project analysts are careful to put the merger phenomenon of the 60s and 70s in the context of the pronounced growth in international trade, capital flows and investment, which changed the competitive environment and, among other things, encouraged many European governments actively to promote industrial concentration to increase international competitiveness.



THERE are a few loose ends in British banking. Keyser Ullmann, the merchant banking concern, is one of the more obvious members of this non-exclusive club.

The story of Keyser Ullmann over the past decade is in many respects the story of the fringe banking crisis, the property collapse, temporary whizz kids and the like.

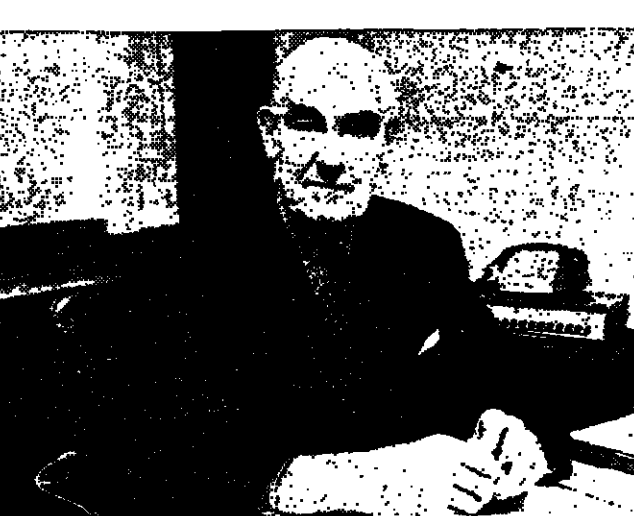
But it was not to last long at such relatively dizzy heights. Despite Mr. du Cann's claim in the 1974 annual report that Keyser had made "a realistic assessment" of its lending and provided for all known and likely contingencies, the 1975 accounts were to reveal massive losses and write-offs, totalling no less than £61m.

In truth, the 1974 accounts were no model of accounting presentation. Keyser claimed to have made attributable profits for the year of almost £10m, but it would have been truer and clearer to say that the group had incurred losses of at least £7m.

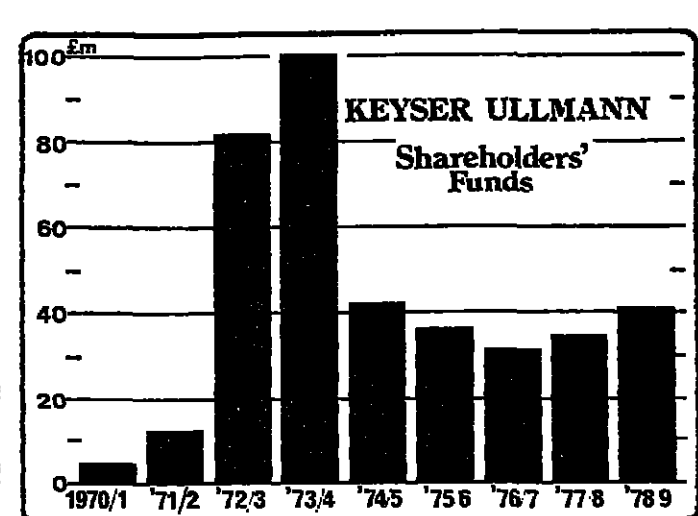
Business courses

Health and Safety at Work, London, November 29-30. Fee: £185 (plus VAT). Details from Accelerated Management Development, Six Sheet Street, Windsor, Berks.

Keyser Ullmann is out of the wood, as Michael Lafferty reports The 'Milk Street' bank seeks a new City liaison



Derek Wilde, chairman of Keyser Ullmann, which suffered severely during the fringe banking collapse.



1974 the board had sought to maintain confidence but the end of the old regime at Keyser's Milk Street headquarters came towards the end of March 1975 when Mr. du Cann resigned.

Wilde's first task was to go through the loan book at Keyser Ullmann. What he learned about the bank's position led him to decide that there would have to be a change of management.

Under the careful direction of Derek Wilde and Roy Fenton, Keyser Ullmann was gradually pulled round. It needed the support of the Bank of England's "lifeline" for almost two and a half years, at one time to an extent of £85m.

albeit somewhat shakily, on its own feet. In 1978 it made a profit of £841,000 before provision write-backs of a further £2m.

By May this year Derek Wilde was able to report that debts in the course of realisation had been reduced to a rump of £31m.

Wilde believes that Keyser Ullmann needs to become identified with some special activity or expertise in order to help restore its reputation.

number of growing companies and then to stand alongside and help them with their financial problems," he says.

At one time Mr. Wilde felt that a large minority participation from a large foreign bank might be "a sensible arrangement."

He says that "all sorts of possibilities" have crossed his mind, including the notion of bringing two or three existing banks together.

interests include insurance broking and the Bowmaker finance house. Last year it reported net banking profits of about £1m.

Antony Gibbs is tiny by banking standards, with reported profits of around £1m and a capitalisation of around £8m.

Whatever happens, Derek Wilde does not anticipate the demise of the traditional accepting houses.

What ever happens, Derek Wilde does not anticipate the demise of the traditional accepting houses.

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Form for Charities Aid Foundation with fields for Name, Address, and Company Title.

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NEW BRAINS FROM AS LITTLE AS £500 advertisement for a computer show.

LOCAL AUTHORITY BONDS advertisement for financial services.

PHILIPS advertisement for dictation equipment, featuring a Philips 300 range transcriber.

LOMBARD

Don't overdo the gloom

BY GEOFFREY OWEN

PLANT CLOSURES in the engineering industry have been distressingly frequent over the last few months. But any idea that this most vital of all our industries has entered a period of irreversible decline is decidedly premature. Many of the plants that are being shut down have been unproductive for a long time; it should be possible for the resources to be used more productively in other parts of engineering, where there are a large number of companies competing effectively in world markets.

Table with 3 columns: Country, UK, France, Germany. Rows include Power generating machinery, Machinery for particular industries, General industrial machinery, Office machinery, Telecommunications equipment, Electrical machinery, Road vehicles, Other transport equipment, Total.

most sectors British companies can knock spots off their French rivals, as the table given above makes clear. In six of the nine categories which make up the machinery and transport equipment sector the UK outsells the French, often by a large margin. The only category where the French are overwhelmingly in the lead is road motor vehicles — and that means primarily passenger cars; in commercial vehicles the two countries are level pegging.

Secret Squirrel. 4.25 Jackanory. 4.40 Buford Files and Dinky Dog. 5.00 John Craven's Newsround. 5.10 Streetwatch. 5.40 News. 5.55 Nationwide (London and South East only). 6.20 Nationwide. 6.45 Rolf Harris's Cartoon Time (London and South East only). 7.15 It's A Knockout. 8.30 Last of the Summer Wine. 9.00 News. 9.25 Prince Regent. 10.20 Mainstream. 10.50 Question Time with Roy

F.T. CROSSWORD PUZZLE No. 4,112

Crossword puzzle grid with numbers 1-28 and clues. Clues include: 1 Poor China—it's just a game (9), 2 Right birds for the old Roman (5), 3 Doctor has to get up amid the din—it's disgusting (7), 4 Measures of Roman authority (4), 5 Trio detailed for chasing a married woman (5, 4), 6 What appears as a prodigy (10), 7 Employed — that's nothing new (4), 8 Is near boiling point with the German always aboard (7), 9 Is minced pie to restore the soured? (7), 10 Uninterrupted BR pulls a fast one (8-4), 11 The country takes Sarah for close study (7), 12 Don't get hit — about the potatoes (4), 13 They keep children and politicians happy (5, 5), 14 Where the Ouse comes out, and everything with it (2, 3, 4), 15 Jerks? Can they be Americans? (5), 16 The bird can get you down (5), 17 Of unknown ability — like Black Bess (4, 5).

ACROSS: 1 Poor China—it's just a game (9), 2 Right birds for the old Roman (5), 3 Doctor has to get up amid the din—it's disgusting (7), 4 Measures of Roman authority (4), 5 Trio detailed for chasing a married woman (5, 4), 6 What appears as a prodigy (10), 7 Employed — that's nothing new (4), 8 Is near boiling point with the German always aboard (7), 9 Is minced pie to restore the soured? (7), 10 Uninterrupted BR pulls a fast one (8-4), 11 The country takes Sarah for close study (7), 12 Don't get hit — about the potatoes (4), 13 They keep children and politicians happy (5, 5), 14 Where the Ouse comes out, and everything with it (2, 3, 4), 15 Jerks? Can they be Americans? (5), 16 The bird can get you down (5), 17 Of unknown ability — like Black Bess (4, 5). DOWN: 1 Local rises round current Lantz town (5), 2 Do nothing to the chap round the sea. He cannot survive (6, 3).

FOR LAY users of videocassette recorders, or VCRs, there is no shortage of "breakthrough" news to pick their tongues with. One recent British survey by Gallup claimed that very few people realised that videocassette machines can record broadcast TV programmes while the television set is switched off. Indeed, there is still widespread ignorance about videocassette recorders and what they can do — and for the privileged owners of machines some of the instruction booklets offer little more help.

How many users will, for example, understand the meaning of "RF" (radio frequency) channel? This is a legend on one of the diagrams in the "ready-reference" booklet accompanying the new Sony Betamax SL-8080UB. What the legend actually means in plain man's language is "channel tuned to videocassette player." Or more explicitly, before you can play back a recording you must first press the channel selector button on your TV set which has been specially tuned for use with the videocassette machine. "RF" refers to Radio Frequency, which few domestic users will understand is a way of distinguishing signals received via a TV aerial from those not requiring "station" tuning — as, for example, the signals passed along the direct cable link from a video camera to a TV monitor.

But the problem is even more serious than the confusion caused by brand names and series numbers. As the number of video users increases, the potential level of ignorance about the technology also rises. One recent British survey by Gallup claimed that very few people realised that videocassette machines can record broadcast TV programmes while the television set is switched off. Indeed, there is still widespread ignorance about videocassette recorders and what they can do — and for the privileged owners of machines some of the instruction booklets offer little more help.

Carson may score a double

NOTTINGHAM is not a regular hunting ground for trainer Dick Hern, and it is interesting to see his stable represented there today by two maidens. Reflected Glory, who won the Wild Angelia, expected to win the Willie Carson, who achieved a double on the corresponding card a year ago. Reflected Glory, a Swedish-bred filly by Relko out of Highlight, looks to be leniently treated on the 7 st 12 lb mark in the two miles Willington Handicap. She was far from disgraced when fourth in the Foplar Maiden Stakes won by Spark Off at Haydock recently.

Always prominent until losing her ground inexplicably some way out, she was running on best of all, apart from the winner, in the closing stages. Provided there is a reasonably strong pace from the start, Reflected Glory should prove capable of outlasting Systems Analysis, a head runner-up to Man On The Run in a slightly longer race at Bath earlier this month. Wild Angelia, who had been unplaced on her initial three runs, showed that she possessed sufficient ability to land a modest prize when taking fourth place behind Fardella in a 19-runner maiden event for fillies at Leicester on September 24.

Clearly considered still too backward to do herself full justice there, Wild Angelia (a 14-1 chance from an opening show of half those odds) was getting to grips with the winner in the last two furlongs. Wild Angelia, a grey filly by Town Crier, carrying the minimum allowable weight of 7st 7 lb in the East Midland Nursery, may find Startitaph and Hot Trail her toughest opponents. The first-named, for whom a win would undoubtedly be the most popular outcome since he is trained by the shortly to retire Ryan Jarvis, is another not overburdened by the handicapper. Hot Trail already boasts a course and distance success.

Handicap. She was far from disgraced when fourth in the Foplar Maiden Stakes won by Spark Off at Haydock recently.

Clearly considered still too backward to do herself full justice there, Wild Angelia (a 14-1 chance from an opening show of half those odds) was getting to grips with the winner in the last two furlongs.

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Radio Wavelengths: BBC Radio London: 1468kHz 206m & 94.9vfm. Capital Radio: 1048kHz, 194m & 95.5vfm. London Broadcasting: 1151kHz, 251m & 97.7vfm. RADIO 1: (a) Stereophonic broadcast. 5.00 am As Radio 2. 5.00 Dave Lala. 5.05 News. 5.15 Paul McCartney. 5.20 News. 5.25 David Hamilton. 5.30 News. 5.35 Sports Desk. 5.40 News. 5.45 News. 5.50 News. 5.55 News. 6.00 News. 6.05 News. 6.10 News. 6.15 News. 6.20 News. 6.25 News. 6.30 News. 6.35 News. 6.40 News. 6.45 News. 6.50 News. 6.55 News. 7.00 News. 7.05 News. 7.10 News. 7.15 News. 7.20 News. 7.25 News. 7.30 News. 7.35 News. 7.40 News. 7.45 News. 7.50 News. 7.55 News. 8.00 News. 8.05 News. 8.10 News. 8.15 News. 8.20 News. 8.25 News. 8.30 News. 8.35 News. 8.40 News. 8.45 News. 8.50 News. 8.55 News. 9.00 News. 9.05 News. 9.10 News. 9.15 News. 9.20 News. 9.25 News. 9.30 News. 9.35 News. 9.40 News. 9.45 News. 9.50 News. 9.55 News. 10.00 News. 10.05 News. 10.10 News. 10.15 News. 10.20 News. 10.25 News. 10.30 News. 10.35 News. 10.40 News. 10.45 News. 10.50 News. 10.55 News. 11.00 News. 11.05 News. 11.10 News. 11.15 News. 11.20 News. 11.25 News. 11.30 News. 11.35 News. 11.40 News. 11.45 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THE ARTS

Hayward Gallery

The Thirties in art by WILLIAM PACKER

A decade as such is for the most part only an arbitrary period in the chronology, an apparent convenience of apparent rather than real usefulness...



'Hiding' by James Walker Tucker

But for me, who was born in the late summer of 1940, the Thirties were altogether more appealing in their fascination, that enchanted and golden time before the war...

mammoth exhibition to the period, crumpling the Hayward (until January 13) with British art and design from before the war. It is an astonishing collection of stuff, as rich in achievement as it is in variety...

too were establishing their reputations, John Piper and Rodrigo Moynihan with experimental abstraction. Ceri Richards veering towards an abstract surrealism, Barbara Hepworth with the simplest and most refined of her carvings...

boldly and controversially from photographic reference. The strength of this coverage is its even-handedness, for the major figures are not isolated and the spread of activity is fairly registered...

Huddersfield Music Festival by ANDREW CLEMENTS

The Huddersfield Contemporary Music Festival runs for a week—a busy mixture of recitals, workshops and lectures, together with a competition for young composers sponsored by the Yorkshire Arts Association.

equally extraordinary. He had begun his recital with the first performance of Lyell Cresswell's Hocket for bass clarinet and tape-delay system; a neat, confident use of simple musical and technological ideas carefully chosen from those characteristics of the instrument most suited to tape manipulation.

aire, episodic in construction, contrasting lyrical, static soprano solos with more spiky, harmonically varied instrumental interludes. It is not a piece of any great originality—the instrumental writing recalls Birtwistle and Maxwell Davies, while the vocal line looks back to Ravel—but it was chosen by the judges (David Blake and Peter Wiegold) more for its evidence of potential talent than for any intrinsic quality.

It was a considerable achievement to secure such talent, but the quality of their recitals was rather variable. On Friday evening Globokar gave a potted history of the development of the trombone in the last dozen years, a programme that began with Berio's Sequenza V and included three works of Globokar's own composition.

The main thread of the Festival was confined to two concerts each day, but the general air of busyness on the Polytechnic campus was maintained by a whole range of less formal events. Apart from the panel of a concert given on Sunday evening by the young piano duo of Keith Williams and Penny Rowlands with the percussionists Richard Stoneman and Martin Allen, Mr Williams and Miss Rowlands are technically sound but brittle in manner; there was some stiffness in their performance of Liszt's Monument.

After last year's feast of George Crumb, Huddersfield confined itself this time to the first British performance of one work, Makrokosmos III for two amplified pianos and percussion, subtitled "Music for a Summer Evening". It formed the central panel of a concert given on Sunday evening by the young piano duo of Keith Williams and Penny Rowlands with the percussionists Richard Stoneman and Martin Allen.

Sparsa's performance was equally extraordinary. He had begun his recital with the first performance of Lyell Cresswell's Hocket for bass clarinet and tape-delay system; a neat, confident use of simple musical and technological ideas carefully chosen from those characteristics of the instrument most suited to tape manipulation.

Crumb's recent music grows, so does one's impatience. Makrokosmos III has been available on disc here for several years; as a background to another activity its effects can provide a pleasant, sometimes poetic background. But in a concert hall with no distractions, the emptiness, the extended passages without a single significant musical idea and the embarrassing use of a quotation from a Bach fugue in the last section all suggest nothing but the thinnest of musical veneers.

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... and architecture by COLIN AMERY

It was during the 1930s that architects suffered from a serious identity crisis. As a profession they were becoming increasingly organised and a series of Registration Acts made it difficult for anyone to practise architecture unless they were suitably qualified.



Lubetkin and Tecton: Gorilla House, London Zoo

documentary exhibition about British art and design before the war. It is a deeply fascinating exhibition that succeeds by excess. It is a difficult task to exhibit all the art and design of a decade, particularly when the decade is so recent and our powers of discrimination are as yet untutored to decide the artistic worth of so many of the

artefacts. Although the Hayward show is basically about art and design it is more enjoyable as a slice of social history. It must have been difficult for the exhibition committee to decide on the criteria for selection of exhibits—the encyclopaedic approach removes the need for artistic criteria.

It is important therefore to approach the architectural exhibits with caution. As the catalogue tells us we are witnessing a decade of conflict. The selectors of the architecture have opted to keep the combatants apart. The Modern Movement is isolated in Room 11 and you have a room full of paintings and a glimpse of Miss Tilly Losch's bathroom before you reach the other kind of architecture that is exhibited as a "spectrum of styles" in Room 8.

As it is the white cubes of the Modern Movement houses stand as a silent tribute to the pioneers. They are like a burst of light, always photographed in the sun, gravely reflecting their commitment to social as well as artistic rearrangement. Lubetkin, Tecton, Wells Coates, Goldfinger, Connell, Ward and Lucas—their names are like a litany of candidates for saint-

hood. Or are they, as many critics would have us believe, emissaries of the Devil bringing the architecture of evil collectivism to England's too hospitable shores? The answer is not spelt out on the walls of the Hayward Gallery but the question should be borne in mind by all who care about the progress and development of architecture.

The architects chosen to contribute to the "spectrum of styles" tend towards the traditional practitioners of architectural modernism, who produced buildings that dropped the trappings of classicism or the Gothic and concentrated on elements of form. This room is particularly distinguished by the presence of the work of the great architectural perspectivist, Harvey, Farey and Pilkington who created the image of architecture for the public.

There is so much that deserves comment: the design of cinemas, the rise of welfare architecture, the range and imagination of the interior designer and, over the whole exhibition, the looming presence of the great model of Sir Edwin Lutyens's Liverpool Roman Catholic cathedral—an unbuilt masterpiece. Outstanding in the decade was the employment of artists by the great corporation; London Transport is undoubtedly the most remarkable for its stringent aesthetic care that it applied to all aspects of its operation. While the architects were troubled by their stylistic concerns, the great corporate clients of the '30s sailed on with confidence.

One aspect of the exhibition that must also be mentioned is the skilful transformation of the hideous Hayward by Neave Brown and Max Fordham. There is so much to see — go twice, at least.

The Dome, Brighton Gruber's Violin Concerto by DAVID MURRAY

The Royal Liverpool Philharmonic had a lively success last year with H. K. Gruber's "pan-demonium for baritone and orchestra" "Frankenstein" and on Sunday John Carewe and the Brighton Philharmonic presented his new violin concerto, just four weeks after its Berlin premiere. The soloist on each occasion was its dedicatee, the young Austrian virtuoso Ernst Kovacic, who indeed played it with dedicated panache—as well he might, for the rich solo part fits his clean, springing attack and high-flying style like a glove.

Gruber describes the work as "tonal" and relatively consonant, which is exactly right. What he has taken from Berg excludes all the post-Romantic chromaticism, not only the 12-note principle. There is a sort of diatonic serialism discreetly at work here (rising and falling fragments of the E major scale are everywhere); the main points of reference are tonal, but the harmony proceeds by oblique knight's moves. The part-writing has the marks of traditional craftsmanship, without ever proceeding along expected lines. Some borrowing from the resources of early jazz and Continental pop is entirely assimilated, not brandished for theatrical or jocular effect. With the discursive voice of the solo violin always dominant, the successive sections describe a

measured rising tempo, broken by sharply characterised cadenzas, up to the peroration. High silver sounds echo through the score. I found the middle variations disconcertingly moving.

What is un-Viennese in Gruber's music is the absence of any historical freight; he has an entirely modern interest in construction (he is a member of the die rethe new-music ensemble) and a no less modern, unacademic respect for the expressive power of tones (he was a Vienna choirboy before that, and of course a teenager). These unite happily in the Concerto without a sign of friction. Many a composer must hanker guiltily after such a compromise: Gruber has shown that it is really possible, and not a compromise at all.

Kent Opera's autumn season

Kent Opera's autumn season opens at the Congress Theatre, Eastbourne, on November 6, with a performance of Mozart's Idomeneo, a revival of Norman Platt's production.

Tunbridge Wells (December 12-15). Two new productions will be seen during this season: Jonathan Miller's conception of La traviata, which opened at the city's Edinburgh Festival, and Britten's The Turn of the Screw, which sees the Kent Opera debut of producer Nicholas Hytner, designer Douglas Heap and lighting designer Mark Henderson. Roger Norrington conducts both these operas and also Idomeneo.

NOTICE OF REDEMPTION To the Holders of ENTE NAZIONALE IDROCARBURI E.N.I. (National Hydrocarbons Authority) 6 3/4% Sinking Fund Debentures due June 1, 1983

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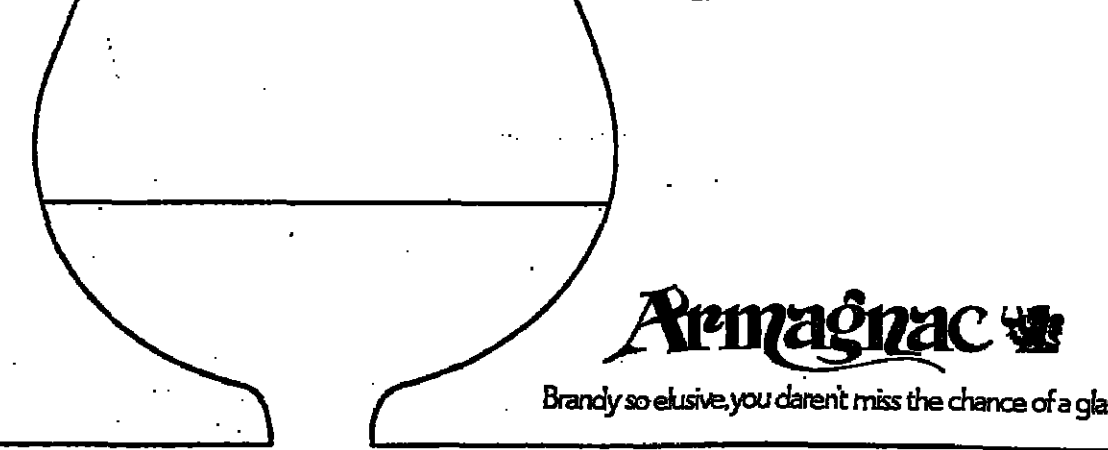
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Tuesday October 30 1979

Another attempt at saving Cambridge Instrument

By DAVID FISHLOCK and RICHARD LAMBERT

TOMORROW shareholders in the Cambridge Instrument Company will vote on the latest reconstruction plan for their financially battered business. Their meeting is a formality. It is clear that without the proposals — which include the injection of a further substantial tranche of public equity from the National Enterprise Board — Cambridge could not survive.

The company has already received over £9m of public money in the last five years, mostly as equity. But the continuing drain of heavy losses left it with shareholders' funds of just £734,000 at the end of last June. And even this precarious equity base has since been wiped out by pre-tax losses of around £890,000 in July and August.

Meanwhile, its borrowings have been shooting up. At the end of September, they amounted to nearly £10m, almost all in the form of bank loans and overdraft.

The company has already been completely reshaped three times since 1968, when the Industrial Reorganisation Corporation used public funds to back its acquisition by George Kent against a rival offer from the Rank Organisation. During that period it has been permanently undercapitalised and more often than not in the red. So the questions are why the NEB is determined to have one more try at setting Cambridge on its feet — and whether it has any chance of success.

born U.S. citizen, who claims that under revamped management the business could be making a very respectable return within three years.

Cambridge is held in highest esteem as an instrument maker. The electron microscope is the most versatile of the "big machines" of science, and the company has been closely associated with the big advances in electron microscopy and electron-beam microanalysis made in Britain in the past 25 years. Its proximity to the Cavendish Laboratory and the engineering laboratories of Cambridge University, and to Tube Investments' research laboratories near Cambridge, where some of the seminal advances in this field have been made, has ensured a steady input of new technology and outstanding people.

Cambridge's products can cost anything from about £30,000 for the simplest electron microscope to £500,000 for the latest electron-beam microfabricators for making "chips".



Dr. Terry Gooding: getting Cambridge on a plate — warts and all.

In 1975 Metals Research and Scientific and Medical Instruments merged in a government-backed plan to give Britain one major maker of electron-beam instruments. Scientific and Medical Instruments, previously an offshoot of George Kent, was in fact the former Cambridge Instrument Company. The NEB acknowledged the main mission of the new group by restoring the name.

But the plan failed. Dr. Michael Cole, the former Cambridge metallurgist who originally founded Metals Research to provide scientific services for scientists, and who has been chairman of Cambridge Instrument since 1976, offers three reasons. All concern the electron microscope side of the business, source of losses of about £2m last year.

One is that the production cost data available when the merger was formed proved highly misleading. Electron microscopes are complex instruments which take about a year to assemble and test. Although the group has been selling upwards of 100 a year, of half-a-dozen different models, it was underpricing them by 30-50 per cent. "An engineer's dream — but no appreciation of market needs or of value engineering," is how Dr. Cole sums up the products he inherited. Not for a year after the merger did he discover that the true costs of making microscopes were "dramatically higher."

In addition the international market has been fiercely competitive since the merger, with Japan and the U.S. the principal rivals. Dr. Cole quotes the example of Japan Electron Optics Laboratories (JEOL), which two years ago launched its "high-growth" programme with the stated object of driving out the competition. Early this year JEOL admitted that this year had failed. But such tactics as "lending" customers its electron microscopes for a year before billing them had seen off some rivals and had been highly destructive of Cambridge's efforts to sell even underpriced instruments.

Dr. Cole's third reason is the growing strength of the pound this year, which he claims has "torpedoed" any hope of raising the price of its electron microscopes to a profitable level.

Electron microscopes, as the diagram shows, accounted for only one-quarter of the turnover of Cambridge Instrument last year. The balance comes from four divisions, all in the black, according to the NEB. The biggest is medical instruments, with sales of the same order as microscopes and a manufacturing base and reasonably strong market position in the U.S. Its forte is electronic instruments that monitor the progress of very sick patients, a market with a 10 per cent annual growth rate.

Another is the image analyser, a highly sophisticated instrument developed originally by Metals Research. Here Cambridge claims a world lead both in sales and technology. It has about one-third of the world market. It is developing a new, microprocessor-based instrument.

Another high-technology activity inherited from Metals Research is crystal-pulling, a technique used to refine the more exotic kinds of semiconductor material used for specialty "chips".

Finally there is the microfabricator, a direct descendant of the electron microscope, developed since the merger into another product in which the company is at the leading edge of a high-growth market.

At first sight the five divisions of Cambridge seem to have one thing in common — high technology. The group is spending about 8 per cent of turnover on research and development. In fact, the situation is much more complex, a fact which has led in part to its difficulties. The five businesses are at significantly different stages of maturity. The medical instrument and electron microscope activities while still requiring R and D support, are relatively stable, mature busi-

nesses. Microfabricators, on the other hand, are right at the start of their life-cycle, very hungry for cash. Image analysers and crystal pullers fall between the other two divisions in the business cycle.

This was a problem the Department of Industry failed to take account of in planning the merger and in persuading Dr. Cole of Metals Research to head the new group. His reputation has been built at the highly creative end of the innovation business, in close contact with scientists. He was not at all happy with the management problems of a more mature business, much less one where the manufacturing and marketing side had already run out of control.

Recent annual reports reflect what seems to have been a near breakdown of management systems in 1976 and 1977. A variety of different production control systems under the same factory roof had a serious impact on what is a working capital intensive business, and thus on manufacturing costs.

The Department and the NEB must share responsibility for allowing these problems to develop. And management's task cannot have been made easier by the way that public funds have been dribbled into the business. At regular intervals Cambridge has been given just about enough to keep it going — but not enough to set it firmly on its feet. As things turned out, that probably represented the worst of both worlds.

In government circles, at least, the dominant reason for trying to salvage Cambridge is its potential performance in the silicon chip industry Britain is trying to build for the 1980s. The microfabricator is generally acknowledged to be a key production tool of the future for this industry.

The NEB says that Cambridge is the only British company of any size in the business of supplying the infrastructure of the semi-conductor industry. Currently its sales are confined to the research market. But if the technology can be developed far enough, the NEB believes that world sales in ten years' time could be perhaps 50 times the size of the present market.

The crystal-pulling technology, too, could have an important role, and also the image analyser as a production-line system for quality control.

Fortuitously, at Cambridge the electron-beam microfabricator has been kept separate from electron microscopes in a division which, to quote Dr. Cole, is exciting, profitable and with sales of about £4.5m last year. The company has already delivered about ten, mostly to

Complaining in advance

THE PROTEST from a number of distinguished academics in recent days about the Government decision on fees for foreign students is on the face of it a little odd. The letter from the University Grants Committee which started the whole fuss repeats the Government's well-known aim of charging full cost to foreign students, and says that this policy will be reflected in future financial support through the University Grants Committee; but it makes it clear that the difficult question of defining an economic tuition fee is still under discussion. The learned opposition has chosen to ignore this, and protest against what it supposes will be the conclusion.

Important point

While it is clearly right that the Vice-Chancellors should seek to make their views heard before any final decisions are taken, this is rather an odd way to set about it. It was the White Queen, hardly a model of rational conduct, who believed in crying before you are actually hurt. The danger here is that by caricaturing what they believe to be the Government's ideas, the protesters will make any subsequent sensible decision look like a retreat, and so provoke the very error that they fear. This would be more than a pity, for they have an important point to make.

The problem is that two issues seem to have become entangled, perhaps because they are covered in the same letter. One is the charging of economic fees to foreign students; the other is the Government's decision to freeze real expenditure on higher education, despite the potential rise in student numbers in the next few years.

The Vice-Chancellors have drawn the conclusion that the Government is seeking to make its economies by concentrating all future expenditure on home students, and cutting support in proportion to the number of foreign students in any given institution. What in fact is proposed is to cut support on the assumption that "economic" fees are being charged on a basis yet to be agreed, which is a very different matter — or should be.

The definition of an economic tuition fee is in fact a difficult question. At one extreme it could be estimated as a simple average cost; at the other it could be argued that the attributable cost of an extra student

on any course is nil. A realistic definition is a market-oriented Government must surely be aware, must take account not only of costs, but of what the market will bear — in other words, some estimate of the going world rate for higher education.

Practical question

This is a highly practical question, since it is clear that no public money would be saved by insisting that universities should charge fees so high that student numbers would drop sharply. This would reduce overseas income instead of boosting it, and would furthermore hit hardest at the very institutions which the Government most wishes to support — universities of international reputation, and especially at centres of science and technology, where the shortage of British candidates for places is a long-standing worry.

However, within this market constraint, the principle of charging the full going rate for British tuition seems sensible. There is no evidence that the considerable fee increases already imposed have discouraged overseas applications. The overseas demand at the full going rate is in fact quite a telling index of the quality and reputation of particular colleges and universities.

Some such guide is badly needed; because if the Government is really determined to get better value for public expenditure on higher education, the question of quality will surely have to be faced sooner or later. The slogan of academic freedom does not justify the presumption that all universities are equal, when clearly they are not, or that the options chosen by school-leavers are the only possible guide to the allocation of expensive resources.

Difficult

The questions raised by attempting to assess the quality of institutions, or the social value of different disciplines are appallingly difficult; but one valuable result of the fuss of the past few days is that it is clear that some of our most distinguished academic would rather tackle these questions than seek some simple cross-the-board formula measuring cost but ignoring the value of output. This is an opportunity for real reassessment which the Education Secretary should seize.

Giscard runs into trouble

PRESIDENT Giscard d'Estaing has suddenly run into a rough patch in what looked like a smooth run-up to his re-election campaign. It is true that the Presidential elections are not due until early 1981, but in French politics such events have a long lead time. By now, most French political developments have to be seen in that perspective. So M. Giscard d'Estaing cannot have welcomed the recent excitement in Paris over allegations that he received gifts of expensive diamonds from ex-Central African Emperor Bokassa, even if it looks as if the affair may well blow over. The incident came at a time when there were a number of other reasons for the President to feel a little uncomfortable.

In the National Assembly, the Gaullist RPR, under the leadership of the rumbustious Jacques Chirac, has taken its dissatisfaction with the Government's economic policies to the point of voting it down on the budget.

In the trade unions are mounting a series of strikes which could lead to a "hot autumn" of confrontation. Meanwhile, M. Raymond Barre, the Prime Minister, has been unwell and unable to cope with these challenges.

French public is extremely sensitive to rising prices. The trade account is in deficit and unemployment remains high. M. Barre has manifestly not achieved his aim of curing the French economy of all its ills in the three years he set himself in August 1976.

But France's problems are no worse than those of most of its EEC partners. M. Barre was rash to set himself a three-year deadline. In that sort of timescale there are bound to be unpredictable developments — and the latest oil price rise duly disrupted his calculations. Given that, he has not done too badly. The latest figures show that inflation is down slightly, as is unemployment. Exports, particularly of cars and capital goods, have been thriving, and, on current account, the balance of payments will probably produce a respectable surplus at the end of the year. The Franc has been reasonably stable.

Sniping

At the same time, it is far from clear that M. Chirac is promoting his presidential chances by his constant sniping at the Government. There is no evidence so far that his attacks on M. Giscard d'Estaing and his policies have paid off in electoral terms. One reason may well be that M. Chirac has not produced a convincing set of alternative policies. His tactics have been largely negative and his accusations not always justified. It is easy in the current economic climate to attack almost any Government for failing to promote investment and stimulate the economy. In fact, M. Barre has probably gone about as far as he could in this direction without sending inflation through the roof.

All the same, M. Barre's illness must increase the chances that M. Giscard d'Estaing will appoint a new Prime Minister to accompany him into the election campaign. M. Barre is too identified with austerity to be a big electoral asset. But perhaps the most encouraging aspect, from M. Giscard d'Estaing's point of view, is that no convincing challenger for his office has yet appeared, whether from the right or the left.

Compromise

But it is too early to conclude that M. Giscard d'Estaing is in real trouble. The wave of strikes may be gathering pace, but the atmosphere is not yet really tense. The budget problem can probably be settled following M. Barre's return this week. One way would be to negotiate a compromise with the Gaullists to allow the Government's revenue proposals to go through the Assembly in modified form. If that fails, the Government can always resort to the device of making the budget a matter of confidence. The Gaullists have said they would not go as far as bringing the Government down on the issue.

The country's economy is not as healthy as it might be. In common with most Western countries, growth is expected to slow again next year — probably to around 2.5 per cent. Inflation, now running at an annual rate of around 11 per cent, is high by French standards, and the

economic magazine in the New Year, called "South-South" — a title giving its stance plain in relation to the "North-South dialogue." The magazine will circulate in the U.S. and Europe. It will doubtless be able to rely upon some advertisements from the Bank of Credit and Commerce International.

Although it was such a socialist occasion (even the menu began with *ouf a la Russe*), urgent dealings with the Conservatives were at hand. Later in the day, Manley was going to see Mrs. Thatcher to discuss the Rhodesia talks. At lunch he was lecturing the converted (an African diplomat cried "Right on!" at a fitting moment in his speech). But a Jamaican diplomat to whom I spoke felt he might encounter a more critical audience at Number Ten.

Winning streak

It may be some solace to taxpayers to learn that the Concorde has scored one victory — albeit a costly one — in its contest with subsonic aircraft. Dan Colussy, Pan Am president, has told Congress in Washington: "The profitability of our morning New York-London flight has been destroyed by British Airways' Concorde flights, with the Concordes given to BA by its Government."

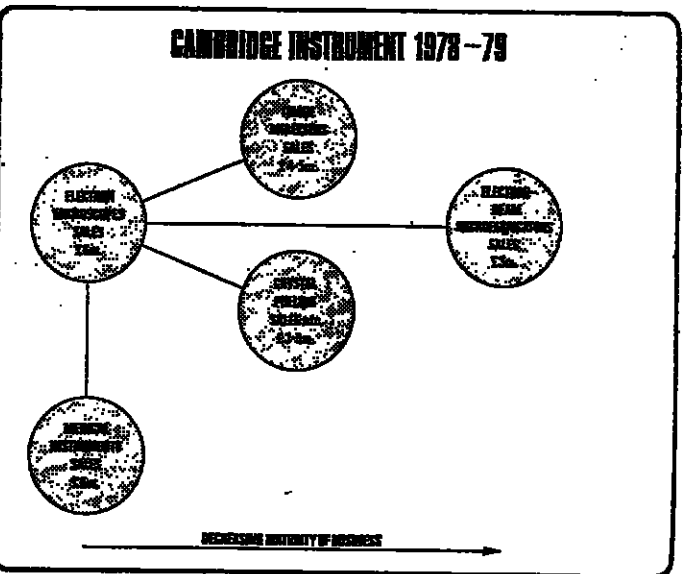
Faster gloom

The Government will hardly thank him for it, but computer enthusiast Tony Bird claims to have speeded up what is considered the slow and inadequate official economic statistics. The recession, according to these, is already upon us. Bird, a stockbroker with T. C. Coombs, recently started to compile a monthly index which distils — supposedly — all relevant monthly indicators and produces an up-to-date Gross Domestic Product.

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Advances in technology

The answer is that Cambridge lies at the forefront of world technology in a number of areas where Britain is otherwise poorly represented. Although its production and financial controls have been visibly inadequate, the quality of its research and product development is not in question. So the NEB is planning everything on its choice of an independent entrepreneur, a British-



MEN AND MATTERS

Well above the poverty line

Each monthly indicator is used as a proxy for one of the GDP components, with an appropriate weighting. The only problem, says Bird, is stockpiling, for which no figure is available. But he thinks he can guess this fairly accurately using relative movements in GDP Expenditure and output.

His index for September is 108.1 and has fallen each month from the June high of 112.2. "The economy is clearly going nowhere fast," he says, while warning rather like his counterparts in the civil service — against reading too much into one month's figures.

Wired up

"Realism and Responsibility" should be consistently applied," Gerry Neale said, remarking a trifle mysteriously at the Tory conference in Blackpool. To the mortification of some he had dispensed with the usual lunch for the party faithful from his new constituency, North Cornwall (he displaced John Parrott in May).

His latest application of the two Rs is electronic. Neale tells me proudly that he is now "wired for sound." It is not merely a question of common-or-garden beepers. Neale's beepers have a memory box so they can take messages when, perforce, they have to be switched off. He can be beeped anywhere in London.

Neale considers Realism and Responsibility have their place in his car as well. Since he travels between 900 and 1,000 miles a week between London, the West Country, and his home in Milton Keynes, the car is wired up, too. "My 25-30 hours a week in a car shouldn't just be dead time," he says.

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Observer

Rising stars in world machine tools

BY HAZEL DUFFY

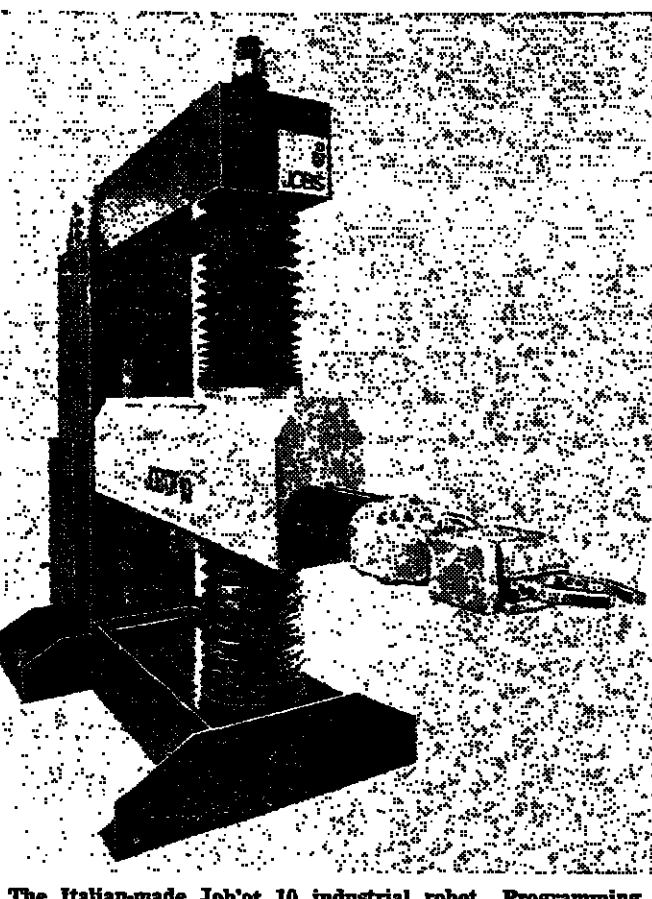
EXHIBITING IS expensive. Yamazaki, a big Japanese manufacturer, spent around £250,000 at the recent European machine tool exhibition which has just closed in Milan. This covers rental of the site, transportation of machines and the supply of skilled personnel on the stand to answer the constant stream of inquiries and demonstrate the machines.

At very competitive prices. The American industry, in fact, started an investigation on the grounds that the Japanese were dumping in the U.S. market, but the action is now in abeyance because of legal difficulties.

The American machine tool industry enjoyed record levels of net new orders and production last year. Activity has remained strong in the first half of 1979, domestic orders being 33.6 per cent higher than 1978, and export orders 50.2 per cent up. The order backlog continued to rise because the industry has insufficient capacity to meet the growth in demand for capital goods from the automotive and aerospace industries in particular.

With this order book in mind, it was not perhaps surprising that American companies were not much in evidence at Milan. As a percentage of total production, exports from the U.S. have been averaging only around 10 per cent—much lower than the other major producers in the world.

Japan's penetration of international machine tool markets has taken the more conservative manufacturers by surprise. Japanese expertise in the developing world, particularly Korea, Spain, Brazil and the Comsec countries, while the Chinese, who were exhibiting at an international machine tool exhibition for the first time in Milan, served as a reminder that the Japanese correctly forecast a growth market, they have been able to produce in volume. In Japan, unlike in the other major producer countries, the industry is concentrated into a small number of large companies, some having connections with others in the electronics sector. All these factors have enabled them to produce



The Italian-made Job'ot 10 industrial robot. Programming is carried out on the spot by means of a self-teaching device.

Chinese are in a position to compete with the most sophisticated machine tools. In production terms, the Chinese rank 11th in the world league. Exports are low, but the fact that they displayed in Milan indicates that they intend to build up their international trade in machine tools.

hardened exhibitors at international shows, the number of exhibitions has become a problem. Manufacturers say it is not a question of whether they can afford to show, but can they afford not to show?

UK, for example, show that the UK exported machines to the value of £5.9m to Italy last year, while similar imports from Italy totalled £13.7m.

Everybody with an interest in the British industry is hoping that this event will be an opportunity for companies to unveil their newest products, and it is expected that there will be a good showing of direct and computerized NC tools. Mach 80 is restricted to MTFA members but since the association includes distributors as well as manufacturers, a good number of foreign machines will be on show.

The growth of the Italian industry has been one of the success stories in its industrial development. Italy ranks fifth in the world league of producers, and exported 55 per cent of production in 1978.

loading and unloading machines. Other interesting developments included computerized programming centres which make possible an economic programming of NC machines and machining centres; a new series of vertical and inclined bed computerized lathes; NC milling machines simultaneously machining right and left hand workpieces; and microprocessor grinding machines. Several manufacturers were showing chip removal machines, regarded as potentially one of the most innovative processes.

This spending bout by automotive manufacturers in the U.S., Europe and Japan, will prove the lifeline for the machine tool industry in the coming years.

Risky solution

The machine tool industry enjoys a highly developed level of international trading. With the exceptions of the U.S. and the Soviet Union, which have large markets of their own, the major producer countries export a large part of their production. As the developing countries (including in Western Europe the Spanish industry) become more inclined to build up their own machine tool industries, Europe will find that it is increasingly difficult to hang on to its markets. The solution is obviously to concentrate more on technological advance and high value-added products. But this is an expensive and risky solution, and some companies are not sufficiently profitable to fund the research requirement.

that they will be undertaking big spending programmes for the introduction of more efficient, cleaner and quieter vehicles.

It is a moot point whether potential buyers actually make decisions at exhibitions. The organisers are always swift to put out impressive figures on the number of orders taken, but these are viewed with some scepticism within the industry.

It was a conversation which made it easy to understand why some manufacturers feel they just cannot afford not to exhibit at these expensive shows.

Letters to the Editor

Way forward for BL

From the Chairman, BL Car Dealer Council. Sir, - Mr. Bescoby (October 26) is absolutely right to state that BL's future will be decided in the market place, the only way BL can solve its problems is by selling its products.

can do so as well. Are you sure you judge his interests better than the rest of himself? There are signs that American opinion is beginning to recover from the traumatic consequences of the Vietnam war. It is sad at such a time to see a newspaper as important as your own advocating what can only be called a policy of appeasing the adversaries of the West without suggesting any alternative means of helping our friends.

Labour is dying

From Mr. J. Roberts. Sir, - Malcolm Rutherford "The Joker in Labour's disarrayed pack" (October 26) is right to note that Labour's vicious battles of the 1950s were much worse than its recent troubles, and did not stop the party winning elections.

£800 to obtain this desirable car which sells in the UK at over £8,500 (including tax). The UK list price of the MGB has also just been increased (to £8,992 excluding tax). Even at an exchange rate of \$2.10 to the pound a direct conversion into dollars would make the MGB slightly more expensive than the Mazda—and we still haven't allowed for the cost of shipping across the Atlantic.

Speculative orgy

From Mr. B. Taylor. Sir, - I consider the letter from Mr. Robert C. Beckman (October 22) a most interesting concept. The number of people, however, who have "geared themselves up" to the extent that Mr. Beckman suggests through domestic housing, I would have thought was relatively insignificant.

But this neglects three points: Conservatives lost only narrowly in 1964 and 1974—Labour has only ever won one straight fight and that was 1945. Labour had over 1m members in the 1950s but has only a quarter of that number now. It cannot go back to its roots to either heal its wounds or stop the advance of the property-owning class.

The price of MG cars

From Mr. P. Davies. Sir, - Some of your readers are obviously confused by the apparent low prices charged for MG cars in the U.S. May I offer some clarification on this matter?

Overseas students

From the Secretary, Association of Certified Accountants. Sir, - We share the fears of the committee of vice-chancellors and principals whose chairman, Sir Alec Morrison, the Vice-Chancellor of Bristol University, has recently warned that further increases in fees charged to overseas students would deter them from attending the United Kingdom Universities.

Helping our friends

From Julian Amery MP. Sir, - Your leading article "Carter attacks a friend" (October 25) seems needlessly defeatist.

Gas supplies to industry

From the Director-General, Chemical Industries Association. Sir, - There are some important aspects of Ray Dafer's report (October 25) where the real situation is more serious than is stated.

True and fair accounts

From Mr. K. Tunstall. Sir, - If your correspondent (October 8) seeks to verify his telephone bill he may be surprised to learn that the Post Office will not be bound by meters installed at subscribers' premises.

Chairman's Introduction

Mr. T. Teichman, Vice President, Credit Suisse; Adviser, Finanz AG London Ltd.

Metered 'phone calls

From Mr. D. Stickleland. Sir, - Let me congratulate Mr. Young (October 12): While every telephone customer has a personal 'phone meter located at the exchange, I do not seem to have free access to mine.

Today's Events

House of Commons: Motion on the Ministry of Overseas Development (Dissolution) Order.

House of Lords: Motions to approve Legal Aid (Financial Conditions) (No. 2) Regulations 1979, and Legal Advice and Assistance (Financial Conditions) (No. 8) Regulations 1979.

Parliamentary Business: House of Commons: European Communities (Greek Accession) Bill, second reading, Opposed

Large advertisement for 'COST EFFECTIVE FINANCING FOR INTERNATIONAL TRADE' featuring 'ROYAL GARDEN HOTEL LONDON Programme' with various financial topics and a Thursday 13 December deadline.

Financial data table at the bottom of the page, including exchange rates, interest rates, and commodity prices.

Mr. Ling withdraws writ against Belhaven

BY ARNOLD KRANSORFF

Mr. Roy Ling, a former chairman of Belhaven Brewery Group who was dismissed while on an overseas business trip in July, has withdrawn a writ against the company for wrongful dismissal.

At the same time Belhaven has announced details of an accommodation with Mr. Ling's Ashpoint plastic packaging company which was sold to Belhaven last December and subsequently became the centre of a dispute with the Board.

These developments were revealed yesterday in a circular to shareholders in which the directors estimate a second quarter loss of £22,000 after a first quarter profit of £140,000.

The circular also accompanies the annual report and accounts for the April 1, 1979 year, which has been heavily qualified by auditors Stoy Hayward and Co.

The arrangement with Ashpoint includes an agreement whereby Ashpoint pays a £25,000 management fee for the period to April 1, 1979 and receives an interest-free loan of £27,500.

Belhaven may at any time in the next two years call on Ashpoint to declare a dividend (and/or a management charge), in which event Belhaven will make an interest-free loan to Ashpoint of an amount 10 per cent greater.

This overcomes the restriction that Belhaven cannot compel Ashpoint to declare a dividend, says the company.

Belhaven believes, "the arrangements now made to be in the best interests of the group." It is confident that the group will now work together harmoniously.

The directors' estimate of first half profits of £118,000, which is not based on management accounts, includes head office overhead expenses totalling £185,000, of which some £140,000 are termed "wholly exceptional costs."

The directors say that they have not yet given consideration to an interim dividend.

In his statement, Mr. P. M. E. Rowland, chairman, warns that profits for the full year will bear substantial interest charges and some exceptionally high costs of administration incurred mainly in the first half. In the last five months considerable economies will be operative, he says.

Present indications are that the Board should be able to recommend a dividend next summer at least equal to that for the current year, he adds.

HIGHLIGHTS

Lex examines the influences at work in the bond and money markets since exchange controls have been abolished; also the Glaxo accounts and puts the pharmaceutical group's current cost statement under the microscope; and comments on GEC's bid for Avelly where the offer looks set to drag on. Elsewhere the BL dealer, Wadham Stinger, has received a bid approach and its shares have been suspended. Gresham House Estates returned from suspension following the disclosure of a stake in Quest Automation. Belhaven announced a steep second quarter slide and heavily qualified accounts.

mer at least equal to that for the current year, he adds.

In their report the auditors say that certain properties were sold with a brewery tie on terms which allowed part of the consideration to remain on loans payable by instalments without interest. The profit or loss on disposal of these properties is included in extraordinary items.

If the principal value placed on these loans had been based on the discounted present value at April 1, 1979 the loans and the extraordinary profits would have been reduced by about £100,000, Stoy Hayward state.

Because of the significance of this, "we are unable to form an opinion as to whether the financial statements give a true and fair view of the results."

As at April 1, 1979 total indebtedness was £9,89m (£1,59m) against net worth of £4,93m. Loans have since risen to £23.2m at September 30, 1979.

Five of the directors, including Mr. Rowland and Mr. Ling, came up for re-election at the annual meeting on November 23. A sub-committee composed of three of 14 institutional shareholders has been formed. It is headed by Mr. Roger Spicer, a fund manager for Lloyd's Register of Shipping. "It is our intention to work amicably with the board for the future of the company," he said yesterday.

SHARE STAKES
Caledonia Investments — Prudential Corporation Group of Companies now holds 975,000 ordinary (5.53 per cent).
Textured Jersey — Mr. H. E. Knobel, director, has disposed of 30,000 ordinary shares.
Associated Barges Group — Mr. P. Asquith, director, disposed of 180,837 ordinary shares.

Gallaher £10.4m rise so far

THIRD QUARTER profits of Gallaher, tobacco, cigarette subsidiary of American Brands of the U.S., rose from £15.3m to £18.6m and pushed the figure for the nine months ended September 30, 1979 to £46.2m, compared with £34.8m.

Profit for the whole of 1978 was a record £51m.

Sales, excluding VAT or its equivalent, for the three months of £412.4m (£380.2m) lifted the nine months figure to £1,197m against £1,123m, which included £50.3m (£35.0m) from domestic and overseas tobacco.

Trading profits for nine months was £47.9m (£37.4m), of which tobacco contributed £34.5m against £23.6m.

Profit for the period was struck after interest of £2.7m (£2.6m), and depreciation of £9.7m compared with £8.5m.

	1979	1978
Sales	1,127.7	1,118.9
Tobacco (domestic)	800.5	785.9
Tobacco (overseas)	129.8	127.1
Engineering	48.4	42.7
Optical	28.8	25.8
Distribution	182.2	187.0
Depreciation	9.7	8.5
Trading profit	47.9	37.4
Tobacco (domestic)	30.3	25.8
Tobacco (overseas)	4.2	2.8
Engineering	4.2	2.2
Optical	5.5	4.5
Distribution	1.1	1.0
Financing	1.1	1.0
Interest	2.7	2.6
Profit	46.2	34.8

John Crowther loss for first six months

FOLLOWING losses in the second half of last year, John Crowther Group, woollen textile maker, ran into further trouble in the first six months of 1979 and incurred a loss of £55,168 compared with a £122,438 profit in the same period last year.

The directors say that results have been affected by production being in excess of shipments which results in a deferment of profit relating to stocks on order.

The third quarter has been in line with budgeted sales but the second half is being affected by the adverse conditions in the clothing and retail trade.

Turnover for the first half amounted to £3.31m compared with £2.78m. Depreciation charged was £73,033 (£72,451) but no charge to tax arises except for ACT.

As a result of the current conditions, high interest rates and the stronger pound having an effect on the company's domestic and export business, the factories are running at a lower rate than last year with some presently working on short time, the directors say.

Gresham House ahead £40,000 in first half

CC 23 71/8 GRESHAM CO PGE Profit before tax of the Gresham House Estate Company, investment trust, rose by £40,000 to £211,000 for the first half of 1979.

The net interim dividend is maintained at 1.4p per 25p share — last year's total was 3.5p on £461,000 profits.

Standard Life in linked field

Another traditional life company has entered the linked life assurance field. Yesterday the Standard Life Assurance Company, the largest life company in Scotland, launched its unlinked single premium contract — the Capital Investment Bond.

This scheme is the usual single premium linked bond and Standard Life has offered six funds for linking covering all major investment situations — equity fund, property fund,

DIVIDENDS ANNOUNCED

	Date	Corr-	Total	Total
	of	spending	div.	last
	payment	div.	year	year
London Atlantic ...int.	1.75	Dec. 31	1.5	3.6
Lunuva (Clon) Tea Int.	5	Dec. 7	—	10
Transvaal Cons.	93¢	Jan. 3	75	110
Gresham House Inv Int.	1.4	—	1.4	3.3

Dividends shown pence per share net except where otherwise stated.
* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ South African cents throughout.

Sterling Credit outlook

AT THE AGM of Sterling Credit Group, the chairman said that the second half of the current year would produce results more in line with those of the corresponding period last year, but full year figures would be seriously depressed and the disparity in results for each half year was likely to continue.

For the 12 months to March 31, 1979, pre-tax profits were £305,000; the half year surplus being £195,000.

Midterm rise for Stormgard

After higher interest received of £18,553 against £10,563, pre-tax profits of Stormgard rose from £13,808 to £20,539 in the first half of 1979.

Turnover of the investment

company fell from £874,326 to £442,365.

After tax of £9,688 (£5,715) earnings per 10p share are shown to have risen from 0.34p to 0.65p. There is again no interim dividend.

For the whole of 1978, the taxable surplus was £21,000 lower at £29,000.

Interim rise at London Atlantic

REVENUE of London Atlantic Investment Trust came out higher at £235,500 for the six months ended September 28, 1979, compared with £207,982, after tax of £125,272 compared with £122,963.

And the net interim dividend is raised to 1.75p (1.5p), last year's final being 2.1p. Earnings per 25p share are shown as 2.24p (1.82p).

Gross revenue for the period increased from £351,552 to £413,112.

Glaxo expands overseas

ALTHOUGH the difficulties of international trading have in no way diminished, efforts by Glaxo Holdings to increase sales and profit from the older products while bringing on the more profitable newer ones, have had an important effect, Mr. A. E. Bide, chairman, tells shareholders.

Sales and profit growth in Europe, Canada, India and Pakistan have been good while the special steps taken to deal with the Brazil subsidiary's problems are working well. Business continues to expand in Japan.

Exports in 1978-79 amounted to £133m compared with £124m in the previous year. This increase of £9m is significantly understated because of the effect of exchange rate movements.

Results for the year ended June 30, 1978, were affected by the strength of sterling. Profits before tax amounted to £72.27m against £86.38m on group external sales of £338.1m (£343.5m). CIA profit is reduced to £43.8m after adjustments for depreciation, £12.1m, cost of sales, £12.75m and gearing, £1.3m.

Referring to the one-for-one scrip issue, the chairman explains that the group has continued to reinvest retained profits in the business and reserves of the holding company at £100m are more than twice the issued share capital.

During the year, the group made further substantial additions to land, buildings, plant and equipment by the investment of £42m, the chairman says.

See Lex

Lunuva Tea improves

An improvement in taxable profits from £77,947 to £92,500 is reported by the Lunuva (Ceylon) Tea and Rubber Estates for the first nine months of 1979.

After tax of £37,342 (£33,500), earnings per £1 share rose from 5.17p to 6.46p. In view of the improved results and the increased dividend shortly to be received from Harrison's Malaysian Estates, an interim of 5p net is to be recommended.

Last year, a single dividend of 10p was paid on £158,000 profits. Compensation amounting to £30,478 was received from the Sri Lanka government

BOARD MEETINGS

The following companies have notified dates of Board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether dividends are in issue or to be paid. Dividends shown below are based mainly on last year's timetable.

TODAY	FUTURE DATES
Intervest	Nov. 8
Acrow	Nov. 9
Airflow Steamlines	Nov. 7
Allied Breweries	Nov. 27
Associated British Foods	Nov. 6
Bamford	Nov. 1
Booth (International Hdg.)	Oct. 31
Brown Shipley	Nov. 13
Copper-Nickel	Nov. 6
Charterford Properties	Nov. 5
Electric Corporation of NZ	Nov. 1
Henderson (P. C.)	Nov. 1
Josaph (Leopold)	Nov. 12
Lesch (William)	Nov. 1
Lloyd (H. H.)	Nov. 8
Mountview Estates	Nov. 20
Rawson	Nov. 7
Scottish	Nov. 20
Singapore (H. C.)	Nov. 6
Finlay	Nov. 8
Higgins Brewery	Nov. 1
Speccard Gear Case	Nov. 8

Dwek goes ahead at six months

FOLLOWING a rise to a record £246,199 for 1978, Dwek Group, PVC, expanded wiring, handbag component manufacturer, has increased its interim profits, for the six months ended June 30, 1979, from £112,000 to £146,000.

Turnover for the first half was up by £1m from £3.1m to £4.1m.

The directors state that negotiations are in hand for the purchase of a company whose activities are complementary to those of the group, and if concluded, an announcement will be made.

Tax for the period takes £14,000 compared with £38,000 leaving a net profit of £132,000 (£84,000).

The 30,000 sq ft premises acquired earlier this year in North London, for use as principal southern warehouse and distribution centre, are operational, directors state, and the considerable reorganisation from this is anticipated to be completed by the end of the year.

Glaxo 1978-79

THE FACTS

The strength of sterling masks Glaxo's real progress in world markets last year.

While the Group's UK sales rose 10% to £90.5m, sales overseas dipped £21m below last year's figure of £332m. The difference is more than accounted for by exchange movements which reduced the value of Glaxo's overseas sales by an estimated £40m.

A further factor in Glaxo's sales figures this year is the change of status of the Nigerian company from a subsidiary to an associated company. In 1977-78 the Group's sales figures included £13m sales by the Nigerian subsidiary. This year only the much smaller figure of Glaxo's exports to Nigeria has been included.

If allowance is made for both the stronger £ and the Nigerian company's new status, it is clear that Glaxo's overseas sales rose 10% — a creditable performance in the world's highly competitive pharmaceuticals market.

Even more marked than the effect of sterling's strength on Glaxo's sales was its effect on trading profits. This year's figure was down by £9m but the estimated erosion of profits by exchange movements was no less than £12m.

Glaxo's efforts to increase sales and profits from established products while bringing on more profitable newer ones are proving successful. Sales and profits are growing well in Europe, Canada and the Indian subcontinent.

The major new anti-hypertensive, based on labetalol, is now marketed in over 40 countries and will be progressively launched throughout the rest of the world. The successful post-marketing monitoring of this unique product,

covering more than 5,000 patients, was an important achievement. The Group's R. & D. spending is currently about £32.5m a year.

Glaxo faces the future with confidence, heartened by the removal of the immediate threat of nationalisation, or similar State intervention. However as the Chairman and Chief Executive, Mr. Austin E. Bide, says:

"The successful companies of the future will be those whose operations are cost-effective in every way and this calls for unremitting attention to efficiency and productivity by all concerned. We recognise this challenge and accept it."

AND THE FIGURES

Glaxo Group results	1979	1978
Year ended 30th June	£000	£'000
Group external sales	539,956	543,546
Profit before taxation	72,270	50,364
Profit after taxation	96,295	42,689
Earnings per ordinary share	42.5p	49.1p
Dividend per ordinary share	16.0p	11.4p

If you would like the complete picture of Glaxo's year use the coupon to send for the Annual Report and the Chairman's Statement.

The Secretary, Glaxo Holdings Ltd, Clarges House, 6/12 Clarges Street, London W1Y 8DE.
Please send me your Annual Report

Name _____

Address _____

Glaxo A world leader in pharmaceuticals.

James Scott in the red

Losses of £780,000 at subsidiary James Scott (Electrical Transmissions) have produced a deficit of £75,000 in the first half at James Scott Engineering Group compared to a taxable profit last time of £554,000.

The electrical transmission division made a profit in the corresponding period of £76,000. At the year end, profits of the group, a subsidiary of William Press, were £536,000 (£1.69m loss).

Turnover in the six months slipped from £26.9m to £20.3m and there is a tax credit of £162,000 (£405,000 charge).

Attributable profit fell £52,000 to £27,000 and stated earnings per 25p share are down to 1.7p (3.2p). There is again no dividend.

Aberfoyle moves into loss

Reporting a loss of £150,988 for the year ended July 31, 1979, the directors of Aberfoyle Plantations say there will be a delay in the publication of the company's accounts for that period. In the previous year, the company, which owns tea estates in Rhodesia, achieved a turnaround from a pre-tax loss of £78,827 to a £254,532 profit. No dividends have been paid since 1965.

LAGANVALE ESTATE LIMITED

Notice is hereby given of the appointment of Lloyds Bank Limited as Registrar.

All documents for registration and correspondence should in future be sent to the address below.

D. MONCRIEFF
Secretary.

Lloyds Bank Limited,
Registrars Department,
Goring-by-Sea,
Worthing, West Sussex, BN12 6DA.
Telephone: Worthing 502541
(SID Code 0903)

A. & J. MUCKLOW GROUP LIMITED

Highlights from 1978/79's Record Results

- ★ Pre-tax Profit up 25% to £3.1m.
- ★ Annual Dividend raised by 25%.
- ★ Gross Rental Income up 44% to £3.6m.
- ★ 4.1m. sq. ft. industrial property now on rental. 34 Factory Estates owned.
- ★ Rent reviews on 0.6m. sq. ft. in current year.
- ★ 0.5m. sq. ft. new factory construction in progress.

LARGEST OWNER OF FACTORY ESTATES IN MIDLANDS

Current Year Prospects

"Investment income should rise significantly... I look forward to a further year of satisfactory results."

Albert J. Mucklow, Chairman

The City's idea of the building industry.

A bunch of cowboys.

One of the bright white hopes of the City was recently heard to declare that the old notion of the building industry as a bunch of cowboys was thoroughly outmoded these days. Mind you, he added, there's no smoke without fire.

Too true.

Barratt would be the first to admit that some building companies richly deserve their reputations.

Some don't.

Barratt would like to present some objective facts and figures so that you can judge their true worth and potential without prejudice.

Solid as an oak.

Barratt have just celebrated their 21st birthday.

And 1979 sees us at number 9 in Management Today's Ten Year Profitability League (October issue), in the whole of British Industry (turnover 1979-£170m).

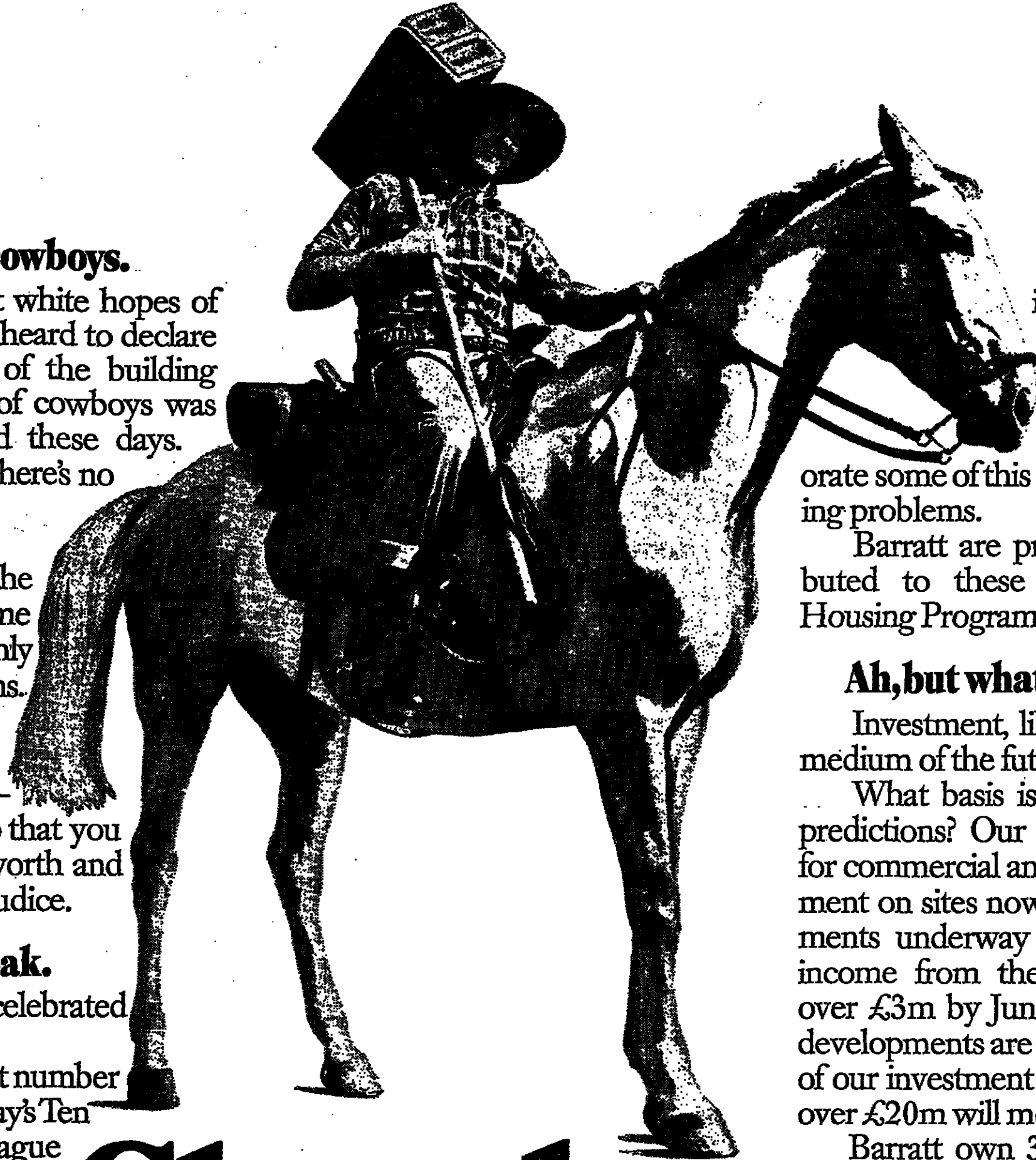
This isn't some here-today-gone-tomorrow phenomenon.

Barratt's growth has been sure and steady, even in 1973-4, when the market was depressed and other building companies that had rocketed in the 60s, crash-landed.

The graph spells out the story in terms of hard cash.

One reason for our success is that where other building companies have centralised their operation, Barratt have stuck to their policy of local involvement, with thirty operating subsidiaries, twenty-two in private housing, five in manufacturing and general contracting and three in property development.

The fact is that if you're building



Barratt's work on inner city re-housing programmes in areas such as Liverpool and Glasgow has done much to ameliorate some of this country's worst housing problems.

Barratt are proud to have contributed to these socially vital Joint Housing Programmes.

Ah, but what of the future?

Investment, like clairvoyance, is a medium of the future.

What basis is there for confident predictions? Our current programme for commercial and industrial development on sites now owned or developments underway will increase rental income from the present £1.2m to over £3m by June 1981. When these developments are completed the value of our investment properties presently over £20m will more than double.

Barratt own 33,000 plots of high quality, developable land to keep us busy for the next 3 years. Home ownership will undoubtedly increase beyond its present level of 54% (in some European countries home-ownership now stands at 70%+).

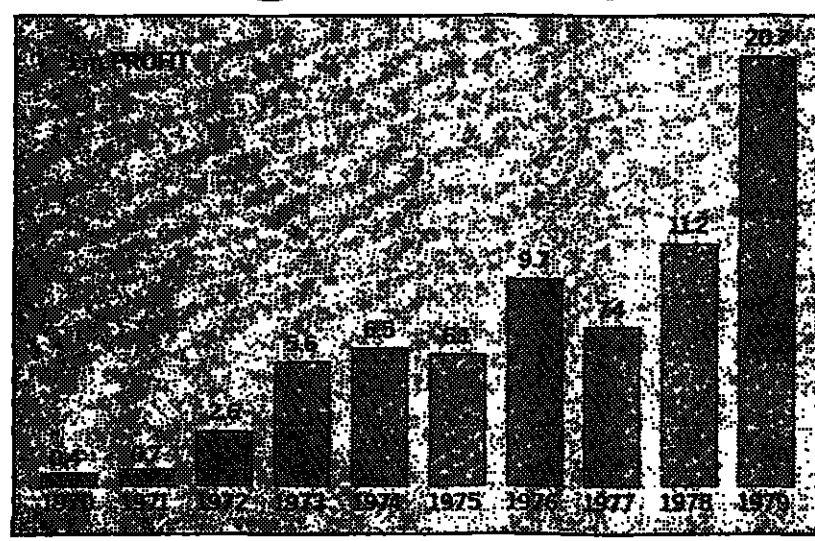
Barratt are ideally placed to cater to demand, be it for £11,000 houses or £110,000 houses, in Southampton or the Shetland Islands on 350 developments in the U.K.

The myth bites the dust.

All of this will perhaps only confirm what you have suspected for some time: that Barratt is the kind of rock-solid investment that you can confidently trust for the future.

If you're still on the lookout for cowboys we recommend you try the late night movies.

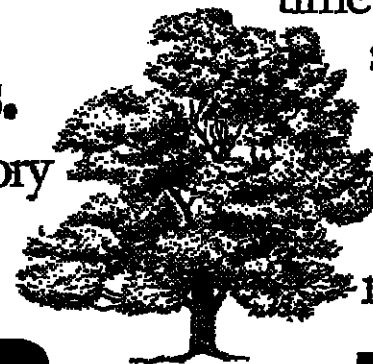
Shot down.



in Chester, it's a good idea to be in Chester.

The confidence of local authorities.

We have an impressive history of working partnerships with Local Authorities.



Barratt
Developments Limited

NO expansion
rises
Dwelling
ahead
six miles
KLOW GROUP

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IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF PENNSYLVANIA

In the Matter of PENN CENTRAL TRANSPORTATION COMPANY, Debtor.
In Proceedings for the Reorganization of a Railroad. No. 70-347

NOTICE OF EXCHANGE AND AVAILABILITY OF NEW SECURITIES OF THE PENN CENTRAL CORPORATION

Pursuant to Orders entered by the United States District Court for the Eastern District of Pennsylvania (Reorganization Court), the Plan of Reorganization (Plan) for Penn Central Transportation Company became effective on October 24, 1978, at which time the name of Penn Central Transportation Company was changed to The Penn Central Corporation. First Pennsylvania Bank N.A., through its agent, Fund/Plan Services, Inc., Philadelphia, Pennsylvania, has been named Exchange Agent for the purpose of distributing cash and securities of The Penn Central Corporation to the claimants entitled thereto pursuant to the Plan. At the same time, the Reorganization Court directed that no distribution be made to holders of certain bonds which were the subject of appeals. Upon final resolution of each such appeal, the Reorganization Court has authorized the commencement of distributions.

BONDS NOW ELIGIBLE TO BE EXCHANGED

The Reorganization Court has now authorized the distribution of cash and securities to holders of the following bonds:

New York Central and Hudson River Railroad
Michigan Central Collateral 3% Bonds due
February 1, 1988 (Michigan Central Collateral bonds)

Holders of such Michigan Central Collateral bonds will, upon surrender of their bonds, be entitled to receive cash and securities of The Penn Central Corporation in accordance with the Plan. The Penn Central Corporation requested The New York Stock Exchange to suspend trading in these bonds before the opening of trading on October 25, 1978.

EXCHANGE PROCEDURES

A Letter of Transmittal with instructions for surrendering such Michigan Central Collateral bonds in exchange for cash and securities of The Penn Central Corporation has been mailed to each holder as of October 25, 1978, whose address was known. These documents were not mailed to holders whose addresses are unknown, or whose identities are not known because their securities are in bearer form. If you own any of these bonds and you have not received a Letter of Transmittal, you may obtain a copy by completing the form below and mailing it to the Exchange Agent.

SPECIAL NOTICE CONCERNING TIMING OF EXCHANGE

For the reason described in this paragraph, it is important to surrender Michigan Central Collateral bonds so that they are in the hands of the Exchange Agent no later than November 14, 1979. One of the securities of The Penn Central Corporation which holders of Michigan Central Collateral bonds are entitled to receive pursuant to the Plan is Series A General Mortgage Bonds (A Bonds). Certain of the A Bonds distributable to holders of such Michigan Central Collateral bonds may already have been selected by lot for redemption as of December 31, 1978. In order to be eligible to receive cash in lieu of any A Bond selected for redemption, Michigan Central Collateral bonds together with a properly completed Letter of Transmittal, must be received by the Exchange Agent no later than the close of business on November 14, 1978. Michigan Central Collateral bonds received after that time will receive A Bonds which will be eligible only for the redemption scheduled for December 31, 1978, and subsequent redemptions, but not for the redemption as of December 31, 1978.

First Pennsylvania Bank N.A.
c/o Fund/Plan Services, Inc.
P.O. Box 8717
Philadelphia, PA 19101

Please send a Letter of Transmittal with instructions in respect to the Plan of Reorganization for Penn Central Transportation Company, Debtor, to:

Name _____ (PLEASE PRINT)
Street _____
City _____ State _____ Zip Code _____
Name of Bond _____

MINING NEWS

Falconbridge Nickel's strong recovery

BY KENNETH MARSTON, MINING EDITOR

YET ANOTHER North American group reports a dramatic recovery in earnings. This time it is Canada's second biggest producer of nickel, Falconbridge Nickel Mines.

Earnings for the three months to September 30 amount to C\$24.3m (£10.6m), or C\$8 per share, compared with a loss of \$8.9m in the same quarter of last year.

The latest earnings bring the nine-months total to C\$82.5m, or C\$15.72 per share, compared with a loss of C\$7.4m in the same period of 1978. They are higher than the company has earned in any previous year since its existence, reports John Sogaulich from Toronto.

In the latest nine-months Falconbridge has enjoyed an increase of C\$49.3m from the integrated nickel operations (Sudbury, Ontario, and Norway) plus a rise of C\$25.6m from other controlled companies. In addition there has been a C\$15m credit from deferred income taxes.

Mr. Marsh A. Cooper, president and managing director, said that the principal reasons for the higher earnings in nickel operations were increased metal selling prices, a weaker Canadian dollar relative to the U.S. dollar and substantial increases in the quantity of nickel and copper sales.

Sales in the integrated nickel operations were 69m lbs (50.5m lbs last year), 27.3m lbs copper (20.1m lbs) and 965,000 lbs cobalt (879,000 lbs). Ferro-nickel sales were up to 32.3m lbs (27.2m lbs).

Falconbridge Dominicana operated at a substantially reduced loss. The group's inventory of nickel in all forms declined to 23.4m lbs at September 30 from 36.5m lbs a year earlier. Falconbridge's nine-month cash flow was C\$128.5m compared with C\$22.5m in the same period of 1978.

CHARTER LOSES ON REMOVAL OF CONTROLS

Following the removal of UK exchange controls, Charter Consolidated is still of the opinion that the company's recently announced reconstruction scheme is to its advantage and advises shareholders to vote accordingly.

It is confirmed that, as a result of the ending of the investment dollar premium, the buy-back price of \$4.65 for the Minerals and Resources Corporation (Minero) shares to be given to Charter holders will now fall in sterling terms, to the equivalent of about 221p per Minero share compared with an earlier anticipated 236p.

Similarly, the previously estimated cash proceeds receivable by Charter under the scheme of £37.5m will now be reduced to about £29.2m. Total net assets of Charter after implementation of

intense market activity pushing the shares of Consolidated Gold Fields to a 1979 high yesterday prompted the group formally to deny that it had received any bid approach.

"We have no major shareholders as far as we are aware—that is anybody who has over five per cent," a spokesman added.

The shares moved between 286p and 315p yesterday, closing at 310p for a net gain of 23p. The rise was the most spectacular in a period which has seen a strong upwards trend in the price.

The recent high level of trading has spilled over into the option market, while dealing in Gold Fields shares in Johannesburg were said to have been three times greater in volume than normal.

Activity was spurred by a spate of bid rumours. In Johannesburg, the same most commonly linked with Gold Fields has been Charter Consolidated, following its reorganisation plans, while London speculation favoured the Royal Dutch Shell oil group. Suggestions that shaft repair, underground drilling and mine development.

Allstate's share of the venture at Tasmania will be 46.3 per cent. The balance of 3.7 per cent is held by Tri-centro, the UK industrial and natural resources group.

The deposit is small, but high grade. Consultants calculated the probable ore reserves at a depth of between 380 and 560 metres at 224,000 tonnes, grading 22.5 grams of gold. Allstate said. There are possible reserves of a further 337,000 tonnes, grading 18.5 grams of gold.

In the first year of operation, Allstate expects production to be 70,000 tonnes of ore, building up to 100,000 tonnes thereafter. But no date was given for the mine to come on stream. Allstate shares in London yesterday were 27p, up 2p.

first nine months of this year compared with only C\$3.7m for the same period of 1978. However, the past quarter's results are considered disappointing because of base-metal production shortfalls and scheduled smelter closings.

Amax finances reopening of gold mine

ALLSTATE EXPLORATION of Sydney is to link with Amax, the diversified U.S. group, in a joint venture to re-open the Tasmania gold mine at Beaconsfield, near Launceston.

An announcement launching the joint venture yesterday follows the updating of a 1975 feasibility study and ends Allstate's lengthy search for finance.

Amax is buying a 50.1 per cent interest in the project by the expenditure of A\$3m (£1.57m) on the rehabilitation of the mine. This involves water clearance, shaft repair, underground drilling and mine development.

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Earnings climb at Yellowknife

Despite higher operating costs, Giant Yellowknife Mines, the largest of the Canadian gold producers, has raised its nine months' profit by more than a third, reports John Sogaulich from Toronto.

Net earnings in the nine months to September were C\$4.3m (£1.7m) or C\$1.01 a share, compared with just under C\$3m, or 69 cents a share in the first three quarters of 1978.

OIL AND GAS

Japan enters Beaufort Sea

JAPAN'S Overseas Petroleum Corporation has moved in on the promising Beaufort Sea oil and gas scene through the purchase for C\$50m of 3.5 per cent of the 3.75 per cent interest held by Columbia Gas Development of Canada in Beaufort Sea exploration rights previously acquired by Columbia from Dome Petroleum.

According to a report in Canada's Northern Miner, it was known for some time that Columbia Gas, which held a 1.8976 per cent interest in Dome's Kapanar oil discovery, was prepared to dispose of all or part of its Beaufort Sea interests.

The report goes on to say that the Japan National Oil Corporation is keen to resume discussions with Dome with a view to entering a deal similar to the one negotiated by Overseas Petroleum and Columbia Gas.

Previous negotiations between Dome and Japanese commercial interests on possible Japanese participation in the Beaufort Sea operations were suspended earlier this year pending the outcome of drilling tests then under way by Dome.

The Japanese interest in Dome's Beaufort Sea search—Dome holds around 50 per cent of exploration rights in the area—intensified following the announcement by Dome that its Kapanar M13 well indicated an oil find of "important commercial significance." Dome added that the well was capable of sustained production of more than 12,000 barrels a day from a 200-ft productive zone at 11,500 ft.

The Columbia Gas-Overseas Petroleum agreement is conditional on Dome relinquishing its pre-emption right to Columbia's interests.

The Chilean units of America's Atlantic Richfield and Amerasia Hess Corporation are to begin exploratory drilling late this month offshore the coast of Chile.

The two companies, Arco Petroleum Chile SA as operator and Amerasia Hess Petroleum Chile SA, each hold a 50 per cent interest in a contract signed in December 1977 with Empresa Nacional de Petroleo (ENAP), Chile's national oil company.

The first well, Lucy No. 1, will be located approximately 30 miles west of Chiloe Island, 60 miles offshore the mainland in 470 feet of water. The well, with a target depth of 7,500 feet, will be the first in the ENAP programme operating with foreign contractors.

Geological and geophysical studies and surveys of the area were conducted previously. Drilling will be carried out by the drillship Danwood Ice, leased from J. L. Offshore Drilling.

British Petroleum Development is to participate in a consortium with Interport Resources Corporation and Pacific Petroleum Corporation, both of the Philippines, as operator for a drilling programme in the Mindoro area, according to the Philippine Energy Ministry.

BPF, with a 60 per cent participating interest, will finance drilling of Mindoro 1, programmed to reach 8,000 feet, and can increase its stake to 70 per cent by drilling two more wells at its own expense. The consortium's area covers about 200,000 hectares of onshore and offshore prospects.

Canada's Western Mines has negotiated an agreement with Brascan Resources whereby Western can earn a 40 per cent interest in the depth drilled in oil and gas rights in 20 sections of land some 26 miles north of Lloydminster on the Alberta-Saskatchewan border. A section is 640 acres.

The agreement will require Western to spend about C\$5m for drilling in 1979 and an additional estimated C\$750,000 next year for gathering lines and development wells depending on this year's drilling success.

McKechnie Brothers

—a large group of industrial companies mainly in non-ferrous metal and engineering fields operating internationally.

our activities

United Kingdom manufacturers of rods, sections and ingots in copper and brass; chemicals based on copper; aluminium powder, paste and flake; ceramic fibres; builders' and domestic hardware; moulded and extruded plastic products; cable glands and components for the electrical industry; metal windows and doors, steel and aluminium tube, steel conduit, generators, radiators for space heating; stockholding and metal merchanting; mould making; sheet metal and plate fabrication; process engineering.

South Africa rods, sections, ingots, sheet, strip, foil and tubes in copper and brass; wire in copper, brass and aluminium; sheet, strip, wire and ingots in zinc; stockholding and metal merchanting.

New Zealand rods, sections, ingots and tubes in copper and brass; continuous cast bronze bars; extrusions and ingots in aluminium.

Australia plastic extrusions and mouldings.

COMPARATIVE RESULTS

Year ended 31 July	1979	1978
Profit before tax and metal account	15,116	12,659
Profit after tax	10,305	8,139
Profit after extraordinary items	9,821	7,777
Ordinary dividend per share	2,989	2,353
	6.93p	5.53p
Capital employed	80,227	67,466

Extracts from Chairman's Review:

We have achieved record profits despite adverse effects on overseas earnings of a strong pound. Profits have increased by over 19% on 1978. The board recommend an increase in the net dividend of 25%.

UNITED KINGDOM

Demand was stronger and better utilisation of capacity gave improved profits.

OVERSEAS

The economic climate in South Africa improved, and companies in the Macdon group produced increased profits. Our investments in New Zealand are doing well.

PROSPECTS

Many of our U.K. companies were affected by the national engineering strikes, and in present trading conditions lost ground will be difficult to make up. Improvement in South Africa should continue, and Australia is budgeting for a better year.

We are confident of putting up as good a performance as external circumstances will allow.

Annual Report and Accounts will be posted to Shareholders on 21 November 1979

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Welsh Development Agency

To: Welsh Development Agency, Treforest Industrial Estate, Pontypridd, Mid Glamorgan, CF37 5UT. Tel: Treforest (044 385) 2666. Please tell me more about industrial opportunities in Wales.

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مكتبات الأصيل

BIDS AND DEALS

GEC extends—offer is 'increasingly attractive'

General Electric Company has extended its offer for Aveyry's, the eighting machine company, despite the low level of acceptance.

Mystery approach to Wadham

Wadham Stringer, the car, truck and van distributor, has received an approach from an unnamed party which could lead to an offer for the group.

Movitex battle intensifies

With the annual meeting of Movitex arranged for November 5, the battle between the board and two engineers seeking board membership has intensified.

GKN discusses Darlaston works sale

Armstrong Equipment is holding discussions with Guest Keen and Nettlefolds concerning the possible acquisition of GKN's bolt works at Darlaston.

CHARTER CONSOLIDATED LIMITED

NOTICE TO HOLDERS OF SHARE WARRANTS TO BEARER SCHEME OF ARRANGEMENT AND RELATED TRANSACTIONS PROPOSED RESTRUCTURING OF THE COMPANY

Shareholders were informed by press announcement dated 16th October, 1979 of proposals for a Scheme of Arrangement between the Company and its shareholders and related transactions.

GENERAL MINING GROUP THE GRIQUALAND EXPLORATION AND FINANCE COMPANY LIMITED

Issued Capital — R597,500 in 11,950,000 shares of 5 cents each

Table with 4 columns: Quarter ended, Financial year to date, Previous financial year to date. Rows include Operating results, Development, Fibre produced, etc.

Consolidated results are given, as information relating to the company only could be misleading. Financial results are based on actual fibre shipments which vary from month to month and do not necessarily bear a pro-rata relationship to production and sales for the year.

On behalf of the Board C. H. WALTERS Directors I. K. JOOSTE

Irish Commercial Society Group Limited

Extract from the Consolidated Interim Accounts to 30th June 1979 of Irish Commercial Society Group Limited.

Table with 2 columns: 6 Months to June 30th, 1979; Year to December 31st, 1978. Rows include Net Profit after Taxation, Shareholders Equity, Withdrawable Shares & Deposits, TOTAL ASSETS.

Copies of the Interim Audit Accounts are available from: The Secretary, Irish Commercial Society Group Limited, Irish Commercial House, Store Street, Dublin 1.

Accountancy Age and AGB Conference Services Ltd present the first European Accountancy Conference

EURAC 79

EURAC 79 has been organised in conjunction with AGB Conference Services Ltd to coincide with the 10th anniversary of the publication of Accountancy Age. Its aim is to bring together the leading financial figures in Europe from practice, commerce and industry to discuss the pressing issues of modern accountancy.

The Programme table with columns for dates (Tuesday 20, Wednesday 21, Thursday 22 November 1979) and topics (A, B, C, D, E, F, G, H, I, J, K, L, M, N, O, P, Q, R) including topics like 'THE THIRD WORLD CHALLENGE TO MULTINATIONALS', 'TRENDS IN LITIGATION AGAINST ACCOUNTANTS', etc.

Registration Form Please complete and return to: Christine Brandon, Conference Organiser, AGB Conference Services Ltd, Ludgate House, 107-111 Fleet Street, London EC4A 2AB Telephone: 01-353 3651

Registration form fields: Name, Job title, Address, Telephone, Telex, Seminars to attend (A-R), and other details.

British china exports to U.S. fall by half

BY LORNE BARLING

BRITAIN'S DOMESTIC tableware exports have been suffering badly this year, with sales to the U.S. falling sharply.

Overall, the pottery industry — which includes tiles, ceramic insulators and porcelain goods — has had a bad year with exports valued at £103m for the first seven months of the year, being roughly the same as for the same period of 1978. Much of the blame is put on the U.S., a major market, where sales of porcelain and china goods have fallen by nearly half.

Figures from the British Ceramics Manufacturers' Association, show sales during the

seven-month period fell from 109,000 tonnes to 53,000 tonnes. But sales to EEC countries have shown a steady rise.

The fall in U.S. sales is blamed on the strength of sterling and local competition, although Royal Doulton Tableware said its U.S. sales had not suffered too badly and was optimistic about EEC markets.

Porcelain and china sales to the EEC in the seven months rose to £7m compared with less than £5m in the same period of 1978. Doulton said the UK previously had a small EEC market share which was now increasing.

Another major exporter, with

around 90 per cent of its sales abroad, Enoch Wedgwood Tunstall, said that its earthenware exports to West Germany had fallen substantially as has the industry's as a whole.

This sector has suffered badly in the past seven months with sales in almost all markets, particularly the U.S., falling heavily. The possible imposition of duties in Canada are also causing concern.

Most companies see little hope of an improvement in the U.S. market in the near future, although Canada, which has suffered an even greater fall in the value of its currency than the U.S., remains a large and stable outlet.

Accounting standards 'need City backing'

By Michael Lafferty

CITY INVESTMENT institutions should play a more active role in setting accounting standards, according to Mr. Hugh Patterson, retiring senior partner of Ernst and Whinney, one of the biggest accounting firms in the country.

Mr. Patterson, a senior partner for six years, sees a more active role by the institutions as one way of enlisting account users to influence standards.

"If you attain the stature of some of these institutions you really ought to put something back into society," Mr. Patterson says it is not good enough for the pension funds to say they have insufficient staff to sit on the relevant committees. They should recruit people with the necessary expertise.

He forecasts the suggested removal of the audit requirement from small companies, which was mooted in a recent Department of Trade discussion paper, could have a serious impact on small accounting firms.

It would, he says, reduce small firms' workload and release staff for bigger firms like his own. The absence of audited accounts, even though they are historical, would force banks to adopt "a much more businesslike approach" in their lending practices.

Mr. Patterson will be succeeded as senior partner at Ernst and Whinney by Mr. Dennis Garrett, former senior partner of Turquand Barton Mayhew, which merged with Ernst and Whinney last year. The firm's deputy senior partner will be Mr. Peter Godfrey.

Scottish ports may form Antwerp link

A TRADE LINK for Scottish East Coast ports with Antwerp may develop following a visit to Aberdeen by a delegation from the Belgian port.

After the delegation toured harbour installations yesterday, Mr. John Turner, general manager of Aberdeen Harbour Board, said that a survey had identified much trade from northern Scotland that could use Aberdeen, but went to English ports.

Mr. F. S. Snykens, Antwerp deputy general manager, said the port had direct links with Scotland after the war, but these disappeared through the increase in long-haul road traffic.

EEC haulage regulations and environmental legislation were creating a new market. Antwerp was studying the possibilities and the delegation would return to Scotland in May with representatives of 50 companies. The present delegation is also visiting Dundee and Clyde and Forth ports.

Fireworks sale curb sought

Financial Times Reporter

THE ASSOCIATION of Metropolitan Authorities yesterday called for a ban on across-the-counter sales of fireworks. Over 900 people, mostly children, were hurt last year on Guy Fawkes Night. Mr. Jack Moultrie, chairman of the association's General Services Committee, said that the time had come to ban retail sale of all fireworks.

Insurance case appeals

MR. CHRISTOPHER REYNOLDS and two insurance companies found guilty at Maidenhead Magistrates' Court of making loans to connected companies, are to appeal on points of law.

The defendants were found guilty last Friday of charges involving loans to Gilgate Holdings, a connected company. Other charges involved furnishing false information to the Department of Trade through routine quarterly returns, and not in interviews with Department of Trade officials as stated in an article in Saturday's edition.

Hewlett will be published

LORD HEWLETT, an industrialist and former Tory Party chairman, who committed suicide in July aged 56, left £190,408 gross, £114,213 net, in his will published yesterday. His home was at Swettenham, Congleton, Cheshire.

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Participating teams are thrown into complex boardroom situations which demand major decisions in such key areas as finance, production, marketing and distribution, to be made in a highly competitive environment. Your deliberations and decisions are then evaluated by computer, dispassionately and against high standards. And that's when you'll start discovering why it takes skill and stamina to compete successfully.

A serious test of management skills such as this deserves serious rewards for the winners. The prizes in total are now worth over £6,500, the winning team receiving £2,000 plus a two-day seminar at Management Centre Europe in Brussels with all expenses paid. There are also generous cash prizes for runners-up and, additionally, the winners will have free entry to the European Management Game finals in September 1980.

For full details, call the National Management Game Administrator on 01-242 7806 or complete and return the coupon. The closing date for entries is November 9, 1979. No matter how much or how little you know about management, why not let the NMG show you how good a businessman you really are?

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Please send me an entry form and full details of the 1980 NMG

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National Management Game 1980

AYER HITAM TIN DREDGING MALAYSIA BERHAD

(Incorporated in Malaysia)

Extracts from the Statement by the Chairman, Y. A. M. Tengku Tan Sri Indra Petra, for the year ended 30 June 1979

Performance During the Year

All three dredges operated satisfactorily and a total of 37,900 piculs of tin concentrate was produced which included 1,514 piculs recovered from the retreatment of finished residues. The better production, which was expected with all dredges working in virgin ground, represents an increase of 26% over that of the previous year. The increase in production together with the higher tin price during the year contributed to a profit before government export duty and taxation of M\$36,739,000, an increase of M\$14,158,000 or almost 63% over the previous year. Government export duty and taxation absorbed M\$26,030,000 or 71% (1978: M\$18,194,000: 81%), leaving a balance of M\$10,699,000 (1978: M\$4,387,000) for appropriation.

Dividends

An interim dividend of 150 sen per share, less tax at 40%, was paid on 16 April 1979. Your directors have recommended the payment of a final dividend of 140 sen per share, less tax at 40%. This final dividend, subject to your approval at the annual general meeting to be held on 23 November 1979, will be paid on 28 November 1979. The total dividend payment for the year would be 290 sen per share, less tax at 40%, compared with 300 sen per share, less tax at 40%, paid last year.

Projections for Current Year

No. 1 dredge will be transferred via a pre-cut channel to a new area on the western side of the property sometime in November 1979. Although all three dredges will be working in virgin ground, it is expected that the current year's production will be slightly lower because of the lower grade of reserves.

Development during the Year

The Company's application for the renewal of two mining leases covering a total area of 831 acres was rejected during the year. These leases were subsequently awarded to Kumpulan Perangsang Selangor Berhad (KPS). Although the rejection was over an area consisting mainly of mined-out land on which limited dredge operations would be carried out, it has affected the Company's future plan for mining, by opencast methods, the deep virgin reserves remaining below a dredged-out area within the expired leases.

Following the rejection, negotiations were carried out with representatives of KPS with a view to securing a sublease over the expired leases. In May 1979 a permit-to-mine was issued to the Company by KPS over 165 acres of the expired leases for dredging on a tribute of 10%. This has enabled the Company's dredging operations to continue uninterrupted. Negotiations for a sublease over the area intended for the deep opencast mining are in progress.

12 October 1979

Copies of the Report and Accounts and Chairman's Statement can be obtained from the United Kingdom Registrars' office at Charter House, Park Street, Ashford, Kent TN24 8EQ, England.

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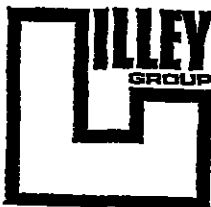
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Watch for fuller information on 20th November, 1979

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Record results and a 32% increase in dividend at half-year

RESULTS Despite generally depressed market conditions in the U.K. construction industry Group trading results are again a record and reflect the company's policy of widening its base geographically and diversifying its interests. Pre-tax profits show an increase of 37.8% over those of the comparable period last year.

DIVIDENDS An interim dividend of 1.54p net per share is declared equivalent, with the associated tax credit, to 2.2p per share, compared with 1.666666p paid last year, an increase of 32%. It is intended to recommend payment of a similar increase in the final dividend. Taking into account the substantial increase made at the time of the Rights Issue in 1977, the present increase means that in the last three years the company has increased its dividend by 179%.

PROSPECTS The Directors consider that, in the absence of external developments affecting productivity, the level of trading now reported on will be maintained.

RESULTS IN BRIEF (Unaudited)

	Half-year to 31.7.79	Half-year to 31.7.78	Year ended 31.1.79
Turnover	£700	£700	£700
Profit before tax	38,451	34,757	65,496
Profit after tax	2,422	1,757	4,217
Earnings per share	1,332	862	2,157
	7.17p	5.06p	12.96p

F. J. C. LILLEY LIMITED

CIVIL ENGINEERING AND BUILDING CONTRACTORS

مركز التحصيل

APPOINTMENTS

Chief executive for Modern Maid Food

Mr. Joseph P. Diamond has been appointed vice-chairman and chief executive officer of MODERN MAID FOOD PRODUCTS INC. the U.S. fast food ingredients manufacturer and a subsidiary of Spillers, from November 1.



Mr. Joseph Diamond

The announcement was made in London yesterday by Mr. Derrick Hornby, president of Spillers Inc. the Spillers Group member responsible for the general products division and international operations.

Mr. Walter Hayes has been appointed vice-president of Ford of Europe, joined Ford of Britain in 1962 after a career in journalism.

Mr. Seymour H. Fortescue has been appointed a deputy divisional general manager of BARCLAYCARD.

Mr. Barton F. Walker Jr. has been named director of international programs for FAIRCHILD INDUSTRIES.

Mr. Alan Sampson has been appointed marketing manager, SHARJAH PORT AUTHORITY.

Mr. J. W. Findlay has joined the board of EQUITY CAPITAL FOR INDUSTRY and has been appointed deputy managing director.

Mr. Oliver Chesterton is to join the Board of ESTATES PROPERTY INVESTMENT COMPANY.

Mr. Graham C. Cook has become managing director for SUPERFLEX in place of Mr. J. W. Haig-Ferguson, who remains a director.

WALTER LAWRENCE has appointed Mr. T. R. Davis as deputy chairman of the group and Mr. R. J. Martin as deputy group managing director.

has additionally been appointed chief executive of Airsprung Group. Mr. W. H. French and Mr. E. J. Fry will be promoted to joint managing directors.

Mr. Robert P. Ritterer, executive vice-president, operations of Merrill Lynch Pierce Fenner and Smith Inc. has been appointed to the Board of the CHICAGO BOARD OPTIONS EXCHANGE.

Professor T. R. E. Southwood, Linacre Professor of Zoology at the University of Oxford, has been elected chairman of trustees of the BRITISH MUSEUM (NATURAL HISTORY).

Mr. J. P. Meckler has been appointed PARKER (EUROPE) FLUID POWER GROUP. Mr. C. F. Ackerman has become vice-president Parker (Europe) and general manager cylinders and pneumatics.

Mr. T. W. G. Ashdown has been appointed a non-executive director of YORKSHIRE FINE WOOLLEN SPINNERS.

Colonel Bruce Mande has left JAMES CAPEL AND COMPANY, stockbrokers, to take up a position with HENDERSON ADMINISTRATION as a director of Henderson Personal Financial Services.

Mr. Christopher Foden has joined FRANK HORSELL AND COMPANY of Morley as a member of the export sales team led by Mr. Stuart Brown.

Mr. Sydney Winship has been appointed director of sales of BOWATER CONTAINERS to succeed Mr. Michael J. S. Robertson, who has left the company.

Mr. Geoffrey Pickering has joined REDLAND ROOF TILES as marketing director.

Unilever and until his appointment, was for three years managing director of a GEC subsidiary. Mr. John Hornsey has joined Redland Roof Tiles as technical and general engineering director.

Mr. L. M. Duncan has joined the Board of ARGYLE SECURITIES (HOLDINGS) as chairman and Mr. K. S. Richards has also become a director.

Mr. W. N. Mendes-Wilson will be appointed deputy chairman of OCEAN TRANSPORT AND TRADING on January 31, 1980, following the retirement of Mr. D. R. Elder.

Mr. J. P. Meckler has been appointed PARKER (EUROPE) FLUID POWER GROUP. Mr. C. F. Ackerman has become vice-president Parker (Europe) and general manager cylinders and pneumatics.



Mr. W. N. Mendes-Wilson

as chairman of Ocean Incheape, the offshore supplies and services company. Mr. Mendes-Wilson is at present managing director of the Ocean Marine Division, following the integration of the Ocean Fleets, Ocean Liners and Bins Funnell Bulkships divisions into one shipping division in March, 1979.

Mr. Hardy is an outside director of the Agricultural Mortgage Corporation and of the Globe Investment Trust.



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Nationwide Building Society advertisement with interest rates and contact information.

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Transvaal Consolidated Land and Exploration Company, Limited financial statement and company information.

African Development Bank advertisement for DM 100,000,000 8% BEARER BONDS OF 1979/1987.

INTERNATIONAL COMPANIES and FINANCE

NORTH AMERICAN NEWS

Earnings advance at United Brands

By Our Financial Staff
UNITED BRANDS, the U.S. food group, increased net profit during the first quarter to \$2.5m from \$1.3m on higher sales of \$874.2m against \$790.3m. Per share earnings advanced to 18 cents from 7 cents for the quarter.

Congoleum agreement
Congoleum Corporation (flooring, shipbuilding) has approved a definitive agreement for its merger with a unit of Fible Corporation which is affiliated with First Boston Corporation, reports Reuters from Chicago.

Texas Instruments growth maintained in third quarter

BY OUR FINANCIAL STAFF

SALES and earnings of Texas Instruments, the leading U.S. producer of semiconductor products, maintained their growth rates in the third quarter. At \$43.6m, net earnings rose by 23 per cent, lifting per share earnings from \$1.56 to \$1.92. Sales grew by 26 per cent to \$813m.

Merrill Lynch to pay damages

BY STEWART FLEMING IN NEW YORK

A STATE COURT judge in New York has ruled that Merrill Lynch Pierce Fenner and Smith, the largest stockbroker in the U.S., should pay damages to New York customers injured by its former practice of paying them with cheques drawn on Californian banks.

grow. Semiconductor demand and demand for petroleum exploration services remain strong, while the Government electronics business should be relatively unaffected by economic conditions. The order backlog increased to \$1.78bn at September 30, up \$124m from the end of the second quarter of 1979 and \$462m from a year ago.

German sale planned by Union Carbide

By David Lascelles in New York

UNION CARBIDE, the large diversified chemicals concern, is negotiating to sell its metal working chemicals business to Henkel, the West German chemical and consumer goods company.

Swiss Bank postpones Tauern Autobahn issue

BY FRANCIS GHILES

FOR THE FIRST time since March, a Swiss franc denominated foreign bond has been postponed. Swiss Bank Corporation has decided to put off, at least until mid-November, the SwFr 60m public issue it was planning to launch this week for the Austrian borrower, Tauern Autobahn.

\$500m credit for Venezuela

BY OUR EUROMARKETS STAFF

THE REPUBLIC of Venezuela is arranging a \$500m 10-year syndicated credit through a group led by Bank of America. Interest rate will be geared to the higher of a 1/2 per cent margin over the U.S. bank's own prime rate or a 1/2 per cent spread above 90-day U.S. certificate of deposit secondary market reference rates.

provincial borrower to undertake an international credit.

The loan, which is managed by Manufacturers Hanover, is guaranteed by the Banco de la Provincia de Buenos Aires. The funds will be mainly used to finance the construction of provincial transport routes.

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists.

For further details of these or other bonds see the complete list of Eurobond prices published on the second Monday of each month.

Closing prices on October 29

AMERICAN QUARTERLIES

Table with columns for various companies (ACF INDUSTRIES, CHROMALLOY AMERICAN, DENTSPLY INT., GETTY OIL, HUDSON'S BAY MINING, etc.) and rows for financial metrics (Third quarter, Revenue, Net profit, etc.) for 1979 and 1978.

Table with columns for various companies (ALCOA, AMERICAN AIRLINES, AMERICAN OVERSEAS AIRLINES, etc.) and rows for financial metrics (Third quarter, Revenue, Net profit, etc.) for 1979 and 1978.

Advertisement for Europcar Super Service. Text: 'Everywhere the Europcar Super Service'. Includes an image of a woman and a car, and a list of rental locations across Europe and Africa.

Table of international bond issues. Columns include Country, Issued, Bid, Offer, Change on week, Yield. Lists various bonds from Australia, Canada, France, Germany, etc.

مركز من الأخبار

Weserhuetten and PHB plan merger

BY ROGER BOYES IN BONN

AN IMPORT new European supplier of mining and raw materials processing equipment is to be created through a planned merger between the West German engineering concerns Weserhuetten and Pohl-Heckel-Bietichert (PHB).

also on the administrative board of Arbed. The new merger represents the latest attempt by Arbed to diversify away from steel—this riding on the crisis—and also underlines its strong interest in German investment.

ASSI reduces pre-tax losses

By John Walker in Stockholm

THE SWEDISH state-owned pulp, paper and board company, ASSI, reports a reduced pre-tax loss during the first eight months of this year of SKr91m (\$22m).

Norwegian state oil group lowers spending forecast

BY FAY GJETER IN OSLO

STATOIL, Norway's State oil company, has been able to reduce its forecast of 1980 investment expenditure by 4 per cent—to \$422m from \$460m—following the recent Anglo-Norwegian agreement on the joint development of the Statfjord oil and gas field.

per cent previously. Statoil has 50 per cent of the Norwegian part of Statfjord. The White Paper says that Statoil expects to begin petroleum exploration off Northern Norway next year, in addition to drilling on the North Sea blocks which it was allocated in the fourth Norwegian concession round.

Credit Suisse costs on target

BY JOHN WICKS IN ZURICH

CREDIT SUISSE, Switzerland's third biggest commercial bank, expects a "satisfactory result" for 1979. Gross income developed well in the first nine months despite the reduction of mortgage rates and the rise in interest on time accounts. Costs were broadly contained within budgets.

Smaller deficit from French tyre maker

By Terry Dodsworth in Paris

THE FIRST bulletin on the reorganisation plan recently launched by Kleber, the French tyre company, shows that it has managed to cut back its losses this year, despite the impact of further increases in raw material prices.

Elf buys out refinery interests

BY DAVID WHITE IN PARIS

ELF-AQUITAINE, the state-controlled French oil group, has taken full control of its refining and distribution subsidiary by buying out minority interests held by Standard Oil of California and Texaco.

Elf buys out refinery interests

BY DAVID WHITE IN PARIS

sales to Elf are believed to amount to about 6m tonnes a year. The deal for an undisclosed sum due to be paid by the French group over a period of several years, has been on the cards for some time.

the Compagnie Française des Pétroles (Total) group. The fact that Elf's purchase of the U.S. stakes took place unexpectedly soon is seen as reflecting a sharp improvement in the group's financial situation. In the first half of this year, parent company profits virtually doubled to FFr 1bn (\$235m).

Kali und Salz sees profits rise

BY GUY HAWTIN IN FRANKFURT

A SIGNIFICANT increase in exports has pushed up the sales of Kali und Salz by 14 per cent during the first three-quarters of the year. The Kassel-based chemical group forecasts that 1979's profits should be well up on last year's figures.

French trading company faces setback in Africa

BY OUR PARIS STAFF

ONE of the major French overseas trading companies, Compagnie Française de l'Afrique Occidentale (CFAO), is facing losses at some of the African operations which lie at the traditional heart of its business.

Improved Trading Results

BY OUR PARIS STAFF

It was resolved at the Annual General Meeting of Norsk-Hydro a.s. held in Oslo on October 26, 1979 to pay a dividend of 12 per cent on both ordinary and preference shares.

Financial Results

BY OUR PARIS STAFF

Total Group sales in the 1978/79 financial year were Nkr. 9,104 million, approximately 33 per cent above the preceding year. The greater part of the increase was due to higher production from the Ekofisk and Frigg oil and gas fields in the North Sea and to the start of regular operations at the Rønne petrochemical plants.

company's aluminium operations improved compared with the preceding year and were on the whole satisfactory. An application for permission to expand production of Karmøy by 47,000 tonnes a year was approved by the authorities in May this year.

BSN-Gervais Danone lifts earnings

By Our Financial Staff

SHARPLY higher profits are reported for the first half of this year by BSN-Gervais Danone, the French glass, packaging, and foods group which last month agreed to sell a large part of its glassmaking operations to Pilkington of the UK.

Grace lifts bid for Young

BY OUR PARIS STAFF

reported an annual loss of FFr 25m at group level. Generale Occidentale, the Anglo-French food and banking group headed by Sir James Goldsmith, is to seek shareholder authorisation shortly to float a bond issue of FFr 200m on the French capital market.

Confidence at CIT-Alcatel

By Our Paris Staff

CIT-ALCATEL, the telecommunications subsidiary of OGE, the diversified French electrical engineering group, remains confident of a solid improvement in sales this year, despite a slight downturn in the first half.

Operations 1978/79

BY OUR PARIS STAFF

After two years of difficult trading conditions for the most important product groups there was a tendency towards better prices and improved markets towards the end of 1978.

Finance

BY OUR PARIS STAFF

Investments during the financial year amounted to Nkr. 11 billion, compared with Nkr. 2.6 billion before. As the new plants have come into operation our capacity for self-financing has improved. While it was necessary to take up new loans in the first half year, in the second half, funds generated by operations were sufficient to cover capital requirements for investments and loan instalments.

Rorento expects decline in interest rates

BY CHARLES BATCHELOR IN AMSTERDAM

RORENTO, the Dutch investment fund specialising in fixed-interest securities, has switched from short-term into long-term bonds in anticipation of a fall in world interest rates.

Grace lifts bid for Young

BY OUR PARIS STAFF

negotiating with the Swiss accounting and holding company Allgemeine Treuhand of Basel with the aim of establishing a co-operation agreement with Bank und Finanz (BFT) of Bern. Treuhand is the majority shareholder in the banking and finance company, whose other shareholders are private individuals.

Operating results

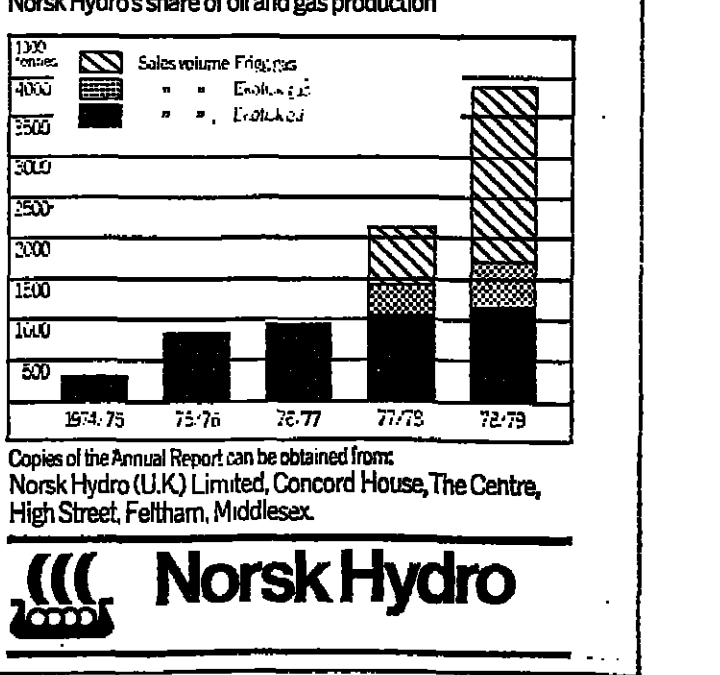
BY OUR PARIS STAFF

Amro has traditionally worked through the European Investment International Consortium (EIBC) in carrying out foreign business, but it recently started to open its own foreign branches. It now has branches in London, Dubai, Tokyo and Singapore, as well as an office in Moscow.

Norsk Hydro's share of oil and gas production

BY OUR PARIS STAFF

Market conditions for aluminium improved significantly during the financial year. Stocks in the Western world were run down, and prices for primary metal rose considerably in a number of important markets.



Companies and Markets

Japan

One-for rights in Salford

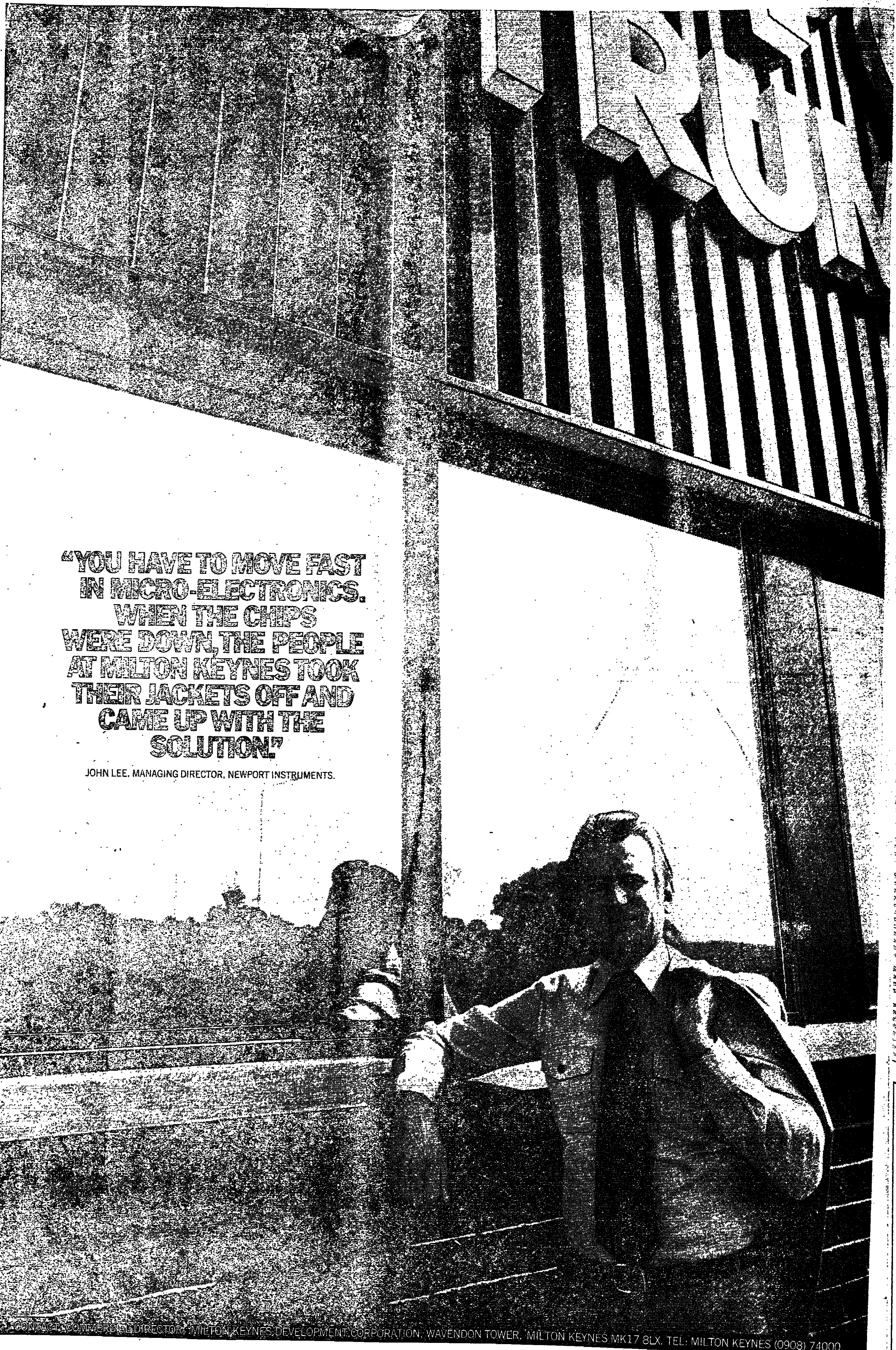
Conversion issue by Pan Elec

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مركز من الأعمال

Companies and Markets INTL. COMPANIES and FINANCE

Japan computer groups boost profits

BY YOKO SHIBATA IN TOKYO

JAPAN'S THREE leading tele-communications and computer manufacturers, Fujitsu, Nippon Electric Company (NEC), and Oki Electric, raised their profits sharply in the first half of the financial year. The gains reflect the strong upward trend in prices of capital investment.

Fujitsu lifted operating profits for the six months to September by 106.7 per cent to ¥12,660m (\$94m), and net profits by 41.2 per cent to ¥6,260m, on sales of ¥226,190m (\$967m), up 14.3 per cent over the same period in the previous year.

Nippon Electric Company's operating profits advanced by 109.9 per cent to ¥9,470m (\$40m), and net profits by 82.9 per cent to ¥5,520m, on sales of ¥322bn, up 14 per cent.

semiconductors has been strong and the three companies' production could not meet domestic and overseas demands. Fujitsu raised its sales of semi-conductors by 98 per cent, while a 27.5 per cent gain was reported by NEC, and a 60 per cent increase by Oki Electric in the six months.

One-for-two rights from Safmarine

JOHANNESBURG — South African Marine Corporation (Safmarine) is to make a one-for-two rights offer at a price still to be announced to strengthen the capital base for further expansion.

Convertible issue by Pan Electric

PAN ELECTRIC Industries has announced a rights issue of S\$4 nominal of convertible loan stock for every ten shares held. The loan stock, which will be issued at par, will carry a coupon of 9 1/2 per cent and will be convertible into fully paid ordinary shares of S\$0.50 each in the company at the rate of S\$1.58 nominal of loan stock for each ordinary share.

Threat to dollar link in Bahrain

BY MARY FRINGS IN BAHRAIN

CONCERN IS growing in Bahrain about the measures being devised to stem the outward flow of capital, as major depositors switch funds from dinars into dollars.

money market intervention to supply liquidity to the banking system may have to continue, as it is unlikely that a significant return of capital will be achieved until the interest rate differential is narrowed.

concerning interest rates paid to domestic depositors, the interbank market in Gulf currencies now operates at significantly higher levels than the rates allowed for customer deposits.

CHEUNG KONG

The emergence of a hong

BY PHILIP BOWRING IN HONG KONG

CHEUNG KONG earlier this month became the first local Chinese owned company to gain effective control of a European hong, or diversified trading and investment house, when it bought for HK\$639m (around \$120m) a 22.3 per cent stake in Hutchison Whampoa from the Hongkong and Shanghai Banking Corporation.

Hongkong Bank coincided with two developments which were apparently unrelated but help to explain the sharp rise in prominence of Mr. Li and his company. The first was the opening of Hong Kong's Mass Transit Railway. Cheung Kong moved from the middle to the top rank of the property field here by outbidding better known names to develop commercial properties above station sites in Hong Kong's centre business district.

dealing profit of more than HK\$50m. Another market raid gained Cheung Kong a 25 per cent plus stake in Green Island Cement, which led to a joint venture to develop the cement company's surplus land.

COASTAL PETROLEUM (FAR EAST) PTE. LTD., a unit of Coastal States Gas Corporation, announces the opening of its trading office in Singapore. For more information, contact: Douglas H. Miller, managing director, Coastal Petroleum (Far East) Pte. Ltd., 3805 O.C.B.C. Centre, Chulia Street, Singapore. Telephone: Singapore 2235300. Telex: RS 33164 Coastat. RS 33198 Coastat.

Dart Industries, Inc. has sold its International Plastic Packaging Operations to subsidiaries of the U. K. Company. Rockware Group Limited. The undersigned acted as financial advisor to Dart Industries, Inc. in this transaction. Lehman Brothers Kuhn Loeb Incorporated. NEW YORK, ATLANTA, BOSTON, CHICAGO, DALLAS, HOUSTON, LOS ANGELES, SAN FRANCISCO, LONDON, TOKYO. October 30, 1979.

All of these Securities have been sold. This announcement appears as a matter of record only. U.S. \$30,000,000 Hill Samuel Group Limited Floating Rate Notes Due 1992. MORGAN STANLEY INTERNATIONAL, BANQUE NATIONALE DE PARIS, DEUTSCHE BANK, LLOYDS BANK INTERNATIONAL, HILL SAMUEL & CO., CITICORP INTERNATIONAL GROUP, KREDITBANK INTERNATIONAL GROUP, ABU DHABI INVESTMENT COMPANY, AMSTERDAM-ROTTERDAM BANK N.V., BANCA COMMERCIALE ITALIANA, BANCO DE BILBAO, BANCO DI ROMA, BANK OF AMERICA INTERNATIONAL, BANQUE BRUXELLES LAMBERT S.A., BANQUE GENERALE DU LUXEMBOURG S.A., BANQUE INTERNATIONALE A LUXEMBOURG S.A., BANQUE DE PARIS ET DES PAYS-BAS, BANQUE ROTHSCHILD, BARCLAYS BANK INTERNATIONAL, BAYERISCHE HYPOTHEKEN-UND WECHSEL-BANK, BEAR, STEARNS & CO., CAISSE DES DEPOTS ET CONSIGNATIONS, CHRISTIANA BANK OG KREDITKASSE, FUJI INTERNATIONAL FINANCE, HAMBROS BANK, HESSISCHE LANDESBANK-GIROZENTRALE, KIDDER, PEABODY INTERNATIONAL, KREDIETBANK N.V., KUWAIT INVESTMENT COMPANY (S.A.K.), MERRILL LYNCH INTERNATIONAL & CO., MORGAN GRENPELL & CO., THE NATIONAL BANK OF KUWAIT S.A.K., NEW JAPAN SECURITIES EUROPE, NIPPON EUROPEAN BANK S.A., NORDDEUTSCHE LANDESBANK-GIROZENTRALE, PEKANKEN, N.M. ROTHSCHILD & SONS, SALOMON BROTHERS INTERNATIONAL, SKANDINAVISKA ENSKILDA BANKEN, SOCIETE GENERALE DE BANQUE S.A., SOCIETE GENERALE, SVENSKA HANDELSBANKEN, TRADE DEVELOPMENT BANK, VERBINS-UND WESTBANK, WESTDEUTSCHE LANDESBANK-GIROZENTRALE, WILLIAMS, GLEN & CO., YAMAICHI INTERNATIONAL (NETHERLAND) N.V. 29th October, 1979.

Handwritten signature or mark at the bottom of the page.

WORLD VALUE OF THE POUND

The table below gives the latest available rates of exchange for the pound against various currencies as of October 29, 1979. In some cases rates are nominal. Market rates are the average of buying and selling rates except where they are shown to be

otherwise. In some cases market rates have been calculated from those of foreign currencies to which they are tied. Exchange in the UK and most of the countries listed is officially controlled and the rates shown should not be

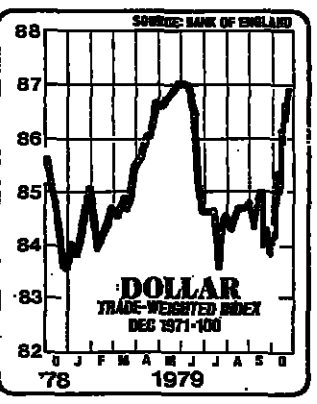
taken as being applicable to any particular transaction without reference to an authorised dealer. Abbreviations: (A) approximate rate, no direct quotation available; (F) free rate; (S) based on U.S. dollar parities and going sterling/dollar rates; (S) member of the sterling area other than

Scheduled Territories; (T) tourist rate; (B) basic rate; (C) commercial rate; (M) convertible rate; (N) financial rate; (E) exchange certificate rate; (S) Scheduled Territory; (NC) non-commercial rate; (NM) nominal; (OR) official rate; (SG) selling rate.

Table with columns: PLACE AND LOCAL UNIT, VALUE OF £ STERLING, PLACE AND LOCAL UNIT, VALUE OF £ STERLING, PLACE AND LOCAL UNIT, VALUE OF £ STERLING. Lists various countries and their exchange rates against the pound.

Dollar firm

The dollar was very firm, against the D-mark, compared with DM 1.8085 on Friday. There was also no evidence of central bank intervention in the open market as the U.S. currency improved on higher interest rates and the announcement of two issues of D-mark denominated Carter Bonds. Rumours of a possible devaluation of the Danish krone kept pressure on the Danish currency, which fell to DM 33.59 per 100 kroner, compared with DM 33.90 on Friday. Other European Monetary System members showed mixed changes, with the French franc rising to DM 47.77 per 100 francs from DM 47.55, while the Belgian franc fell to DM 6.308 per 100 francs from DM 6.215. Outside the EMS sterling rose to DM 3.6160 from DM 3.5920 at the close.



BRUSSELS — EMS currencies were firm, with the D-mark rising to Sfr 16.121 from Sfr 16.094 at yesterday's closing. The Irish punt improved to Bfr 60.20 from Bfr 59.76, and the French franc to Bfr 6.9355 from Bfr 6.8655. The Danish krone rose to Bfr 5.4755 from Bfr 5.45525. The dollar rose to 86.9 against the D-mark, up from 86.75 at the close of trading on Friday. It opened at Y234.50, the lowest level of the year, and moved within a narrow range to close at Y234.75. There was no intervention by the Bank of Japan. Figures showing a sharp rise in Japanese export contracts in September had little influence on the market.

THE DOLLAR SPOT AND FORWARD

Table with columns: Oct. 29, Day's spread, Close, One month, % Three months, % Six months. Lists spot and forward rates for various currencies.

THE POUND SPOT AND FORWARD

Table with columns: Oct. 29, Day's spread, Close, One month, % Three months, % Six months. Lists spot and forward rates for the pound against various currencies.

CURRENCY RATES

Table with columns: Oct. 29, Bank rate, Special Drawing Rights, European Currency Unit, Oct. 29, Bank of England, Morgan Guaranty. Lists various currency rates and movements.

OTHER MARKETS

Table with columns: Oct. 29, \$, \$, Note Rates. Lists various market rates and notes.

EMS EUROPEAN CURRENCY UNIT RATES

Table with columns: Currency, ECU amount, % change from central rate, % change from adjusted central rate, Divergence limit. Lists EMS currency unit rates.

EXCHANGE CROSS RATES

Table with columns: Oct. 29, Pound Sterling, U.S. Dollar, Deutschmark, Japan's Yen, French Franc, Swiss Franc, Dutch Guilder, Italian Lira, Canadian Dollar, Belgian Franc. Lists exchange cross rates.

EURO-CURRENCY INTEREST RATES

Table with columns: Oct. 29, Sterling, U.S. Dollar, Canadian Dollar, Dutch Guilder, Swiss Franc, West German Mark, French Franc, Italian Lira, Asian Yen. Lists Euro-currency interest rates.

INTERNATIONAL MONEY MARKET

Interbank interest rates fell quite sharply in Germany yesterday. Frankfurt call money declined to 7.00-7.50 per cent from 8.00-8.50 per cent; one-month to 8.60-8.80 per cent from 8.80-9.00 per cent; and three-month to 9.00-9.20 per cent from 9.60-9.90 per cent. Six-month funds also fell—reversing the recent upward trend—to 8.80-9.30 per cent from 9.30-9.50 per cent, and 12-month to 8.65-9.70 per cent from 8.90-9.00 per cent.

GOLD

Gold fell \$13 to close at \$373.375 (8380.14 per ounce) in the afternoon, compared with 2,500 opened at \$373.375, and was fixed at \$374.50 in the morning, and \$374.00 in the afternoon. The metal touched a high point of \$374.375, and a lowest level was fixed at DM 21,980 per kilo of \$371.375. In Paris the 12 1/2 kilo gold bar was fixed at FF 61,900 per kilo previously.

UK MONEY MARKET

Day-to-day credit was in short supply in the London money market yesterday, and the authorities gave small assistance by buying a small amount of Treasury bills, a small number of local authority bills, and a small amount of eligible bank bills from the discount houses. All the bills will be resold to the market at fixed future dates.

Small help

Bank of England Minimum Lending Rate 14 per cent (since June 12, 1979). Day-to-day credit was in short supply in the London money market yesterday, and the authorities gave small assistance by buying a small amount of Treasury bills, a small number of local authority bills, and a small amount of eligible bank bills from the discount houses. All the bills will be resold to the market at fixed future dates.

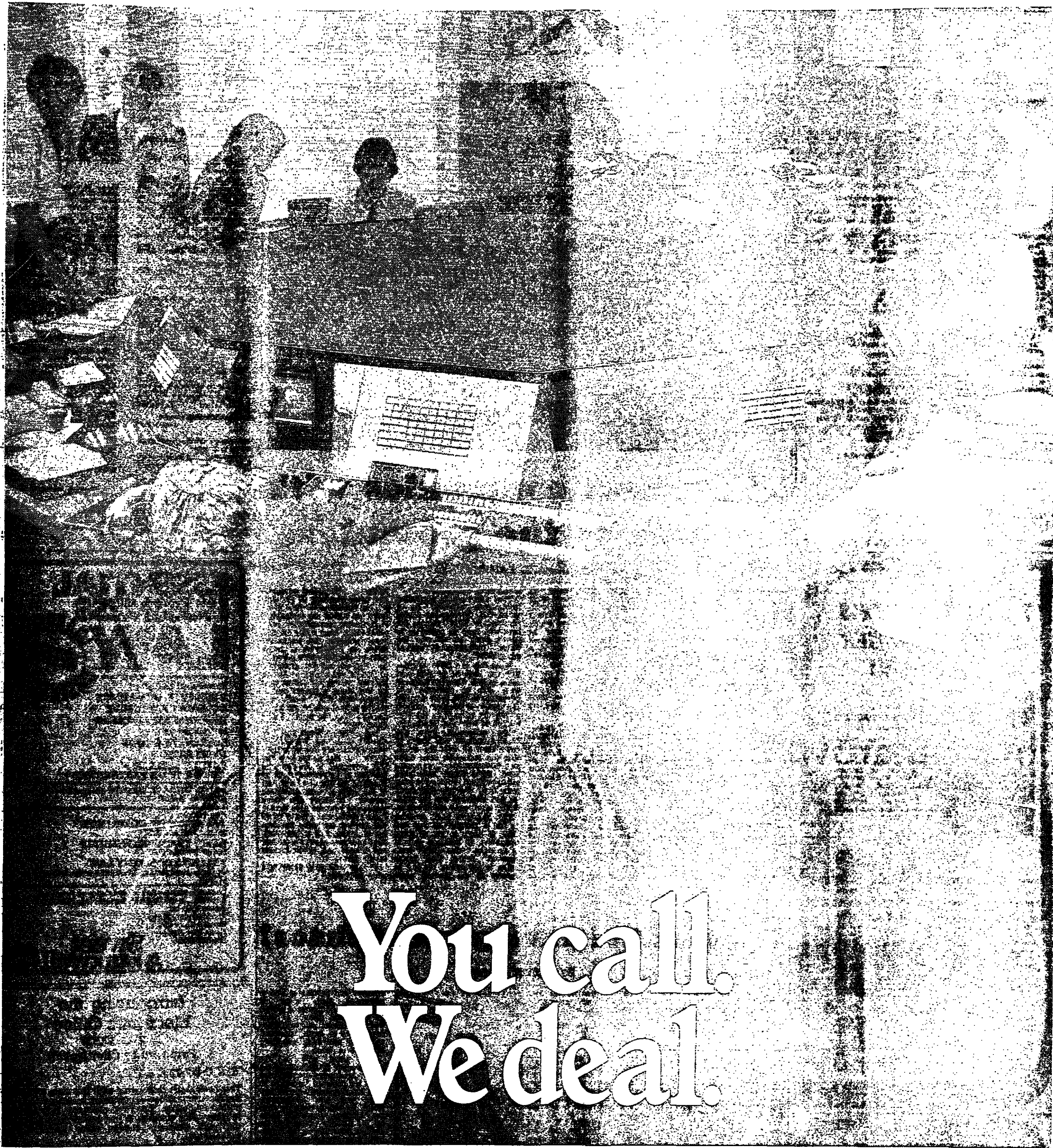
LONDON MONEY RATES

Table with columns: Oct. 29 1979, Sterling Certificate of deposit, Interbank, Local Authority deposits, Local Authority bonds, Finance House Deposits, Company Deposits, Discount House Deposits, Treasury Bills, Eligible Bank Bills, Fine Trade Bills. Lists London money rates.

*Part of the French community in Africa formerly French West Africa or French Equatorial Africa exports 88.022. Based on gross rates against Russian rouble. ** Rate is the transfer market (controlled). *** One hour official rate. (U) Unified rate. Applicable on all transactions except countries having a bilateral agreement with Egypt, and are not members of IMF. (I) Based on gross rates against Russian rouble. (C) Incentive rate.

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CHANGE IN THE ECONOMY LONDON — NOVEMBER 14 & 15, 1979. What are the measures needed to promote economic growth, and how will the Government solve the problem of a stagflationary economy? These are some of the questions that will be raised at a forthcoming conference to be organised by the Financial Times with the City Branch of the British Institute of Management. This two-day conference will further examine the questions of the market economy, monetarism, structural unemployment, union power and protectionism. The opening address will be given by the Rt. Hon. John Biffen, M.P., Chief Secretary to the Treasury, and other speakers will include: The Rt. Hon. the Lord Balogh, Former Economic Adviser, The British National Oil Corporation; The Rt. Hon. Edmund Dell, Executive Chairman, Guinness Peat Group Ltd.; The Hon. Wynne Godley, Director, Department of Applied Economics, University of Cambridge; Dr. Norbert Walter, Head, Business Cycle Dept., Institut für Weltwirtschaft an der Universität Kiel; The Rt. Hon. Roy Hattersley, M.P.; Mr. Clive Jenkins, General Secretary, Association of Scientific, Technical & Managerial Staffs. For full details of the agenda and registration procedures, please complete and return the coupon below. CHANGE IN THE ECONOMY To: Financial Times Ltd. Conference Organisation, 'CHANGE IN THE ECONOMY' Bracken House, 10 Cannon Street, London, EC4A 4BY Tel: 01-236 4382 Telex: 27347 FTCONF G Please send me full details of your conference 'Change in the Economy.' NAME COMPANY ADDRESS TEL: FINANCIAL TIMES CONFERENCES



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BUSINESS BOOKS

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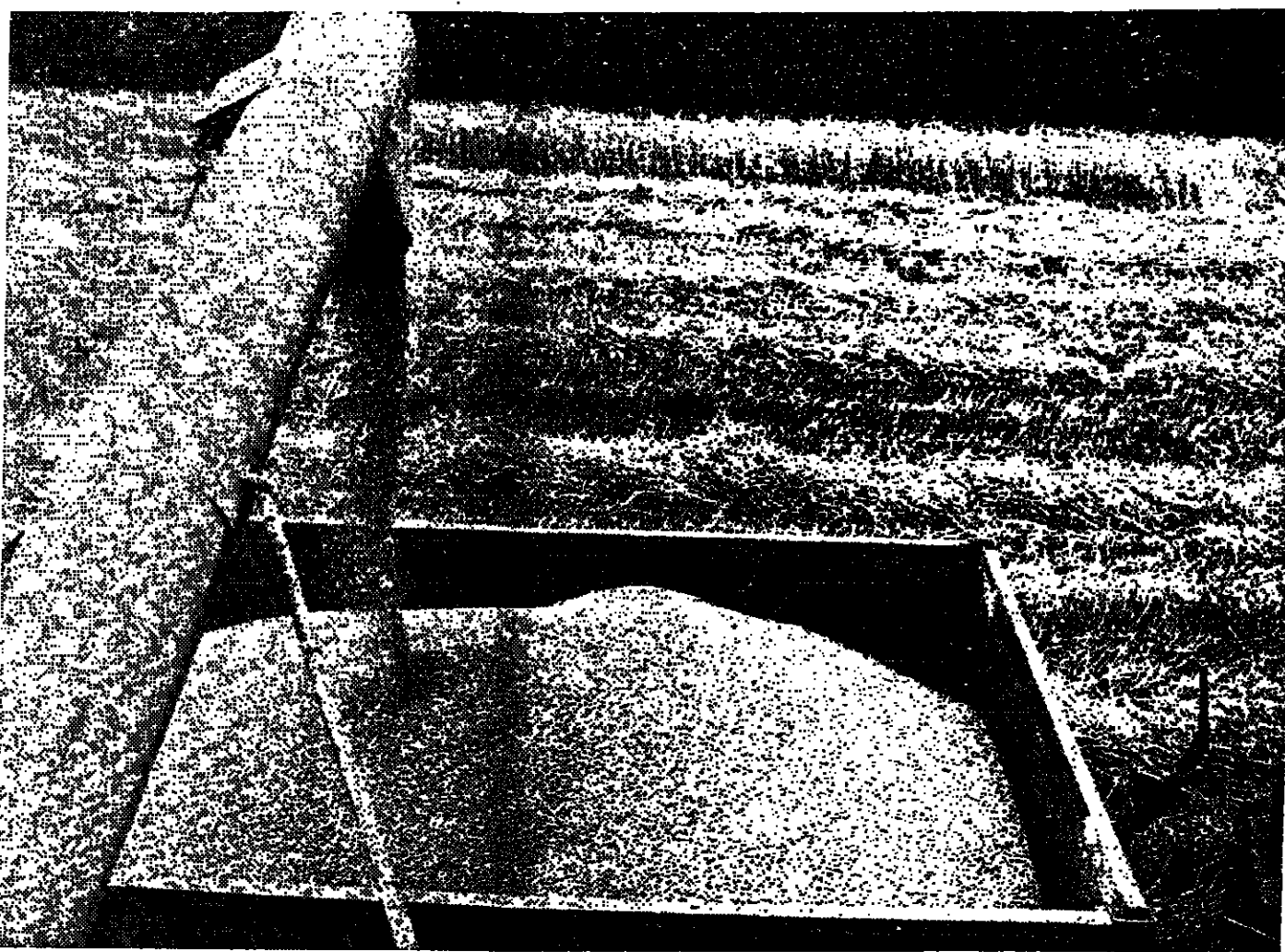
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The wheat companies with ears to the ground

BY RICHARD LAMBERT

Merchants of Grain, by Dan Morgan, Weidenfeld & Nicolson, £10.

FIVE major companies wield enormous power in the world's grain trade. Between them, they handle 90 per cent of the Common Market's trade in wheat and corn, 90 per cent of Canada's barley exports and 89 per cent of Argentina's wheat exports. Two of the biggest each handle about a quarter of total U.S. grain exports, which amounted to nearly 100m tonnes in 1978.

The big five have a number of key features in common. They have all been established for a long time, often with histories stretching well back into the nineteenth century. They are all multinational in character. And they are all privately owned, obsessively secretive, and accountable only to a handful of controlling families.

The five are: Cargill and Continental of the U.S., Andre of Switzerland, the Louis Dreyfus Company of Paris and the Bunge Corporation, based mainly in Argentina. The combined filing space devoted to these companies in the Financial Times admitted in 1976, "they're the ones who keep us posted as to what's going on all over the world. Their system is ahead of our system."

What this can mean in practice was evident in 1972 and again in 1975 when the Russians were able to purchase vast quantities of U.S. grain through the grain companies without giving the authorities the first inkling of what was happening.

The companies gave the Russians secrecy, and access to grain from all over the world. Had the purchases been made on a Government-to-Government level, there would have been major political problems to overcome first. For the companies, all that mattered was the availability of wheat — and the price.

Dan Morgan's book provides as full a portrait as any outsider is likely to get of these companies, in personal as well as financial terms. "Risk management" rather than speculation is apparently the key to success in the modern grain trade. Yet individual personalities, often members of the controlling families, still wield great influence within the companies. Management consultants have occasionally been called in, and always ignored. The businesses thrive on a network of inter-company trading which seems to be based on the first principle of Milo Minderbinder in Joseph Heller's "Catch 22." Asked how he had made a packet out of buying eggs for 7 cents and selling them for 5, he explained simply: "I'm the people I buy them from."

But "The Merchants of Grain" goes well beyond the affairs of the big five grain merchants. It also shows how the U.S. responded to the domestic problem of its grain surplus by changing the diet of a large part of the world through subsidised exports. It shows how rising prices and volumes have turned these exports into a heavy financial burden for many developing countries. And it asks pertinent questions about the control and role of U.S. grain exports in the future.

It is a book that deserves a wide audience.

Order out of management chaos?

BY JASON CRISP

How to Solve the Mismanagement Crisis by Professor Ichak Adizes. Dow Jones-Irwin, 1918, Ridge Road, Homewood, Illinois 60430 U.S. \$14.95

IF YOU have ever been able to bring yourself to read books on management you will know what the qualities of a "good manager" are. He, or she, is knowledgeable, creative and logical; achievement oriented, people oriented and organisation oriented; intuitive yet rational; capable of abstraction yet attentive to detail; sensitive to people's needs yet concerned about organisational needs.

But how many people have ever met, let alone worked for, a manager who was like that — even a little bit? Professor Ichak Adizes takes a slightly lighthearted view of that essential ingredient of management, the manager.

"The textbooks say that a good manager is supposed to have a desirable personality, which is rare to say the least," Adizes argues that the search for individuals who possess all the qualities for effective management is bound to fail. The psychologists and business schools try to create textbook managers, "but this seems to be an exercise in futility."

Management, he says, has to perform four roles: producer, administrator, entrepreneur and integrator. All four roles are necessary in good management and if one role is not properly performed then you have the "mismanagement" of the title.

He argues that no one individual alone can perform all these roles — i.e. be a textbook manager.

"Those who are outstanding with respect to ideas and planning are usually weak on implementation; others who excel in implementation might be poor motivators..." The four roles he says are in conflict and that no one person can perform them simultaneously; if an individual actually attempts to do so the result is mismanagement.

"The conclusion I have arrived at is that for good management to happen, complementary staffing is necessary, which means acknowledging differences in style and opinion and accepting conflict as an inevitable and desirable facet of managing."

Adizes' method — which has been used in more than 100 organisations — is to examine the strengths of the individuals in the four roles of producer, administrator, entrepreneur and integrator and look at them in relationship to their jobs in the organisation. Much of the book is devoted to the way to recognise the strengths of the four roles in people — in all their different combinations.

The detailed descriptions of the extreme characteristics of each role become wickedly amusing as you recognise these terrible examples in colleagues and bosses — in previous employments, of course. There are few things which entertain people more than the failings of others and there are probably few things less amusing than learning of one's own.

achiever and performer who is concerned with what is achieved, the bureaucrat spends an inordinate amount of time worrying about administrative details — he is more concerned with how something was done rather than what.

The third role is the entrepreneur or arsonist, it is the other three roles are excluded from his makeup. He bursts in on a Monday morning with new plans and new assignments which he has dreamt up over the weekend, forgetting those he has already made, and expecting subordinates to implement them immediately. "If the lone ranger gets ulcers, the arsonist causes them."

He likes the atmosphere of emergency and is delighted when subordinates rush in and out trying to cope with the crises he has created.

The final role is the integrator; taken to its extreme it is called "The Superfollower" by Adizes, because he tries to find out what plan will be acceptable to the largest number of people and then tries to unite them behind it. "That is, he does not really lead; he follows."

The book goes on to deal less with the caricatures, but more with the manager who has a mixture of some skills in some but not all of these roles (not every combination though).

But will this help you solve your mismanagement crisis? The author promises a further book which will dwell in depth on the system of applying his management method — the Adizes Method...

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 Considers a subject which is of growing importance as the costs of employing people continue to rise; examines the problems of absence, recruitment, labour turnover, education and training management, pay systems and human resource accounting and shows how a cost-benefit approach can help.

WHAT NEXT AT WORK?
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 An important discussion of the major issues facing managers in the next decade: the right to work, new technology, industrial strife, unemployment, redundancy, education, inflation, leisure. A thought-provoking study every manager should read.

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 Editors: Barry A. K. Rider
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Misconduct: Employer's Liability at Common Law
 Second edition 1979. By John Munniman
 The new edition covers the many changes in both statute and case law which have taken place since the first edition. The most important of these changes are the PROTECTION OF EMPLOYEES REGULATIONS, 1974, and the Employment Protection Act 1975. The new provisions of the Act are explained in detail. The author also discusses the new provisions of the Health and Safety at Work Act 1974, which have replaced the old provisions of the Factories Act 1961. The author also discusses the new provisions of the Health and Safety at Work Act 1974, which have replaced the old provisions of the Factories Act 1961.
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 Second edition 1979.
 By P. J. Stilling and R. A. Wade
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BOOKS OF THE MONTH

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R. J. Lucas, formerly of British Leyland Ltd., UK
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Paul Cleminson and Terry Arthur
This practical guide to financial planning helps to lead readers through the complex pensions jungle. It not only covers providing in advance for retirement, but also explains how pension schemes are created and how they work.

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This useful, up-to-date guide to Government help and incentives includes, as an appendix, the proposed changes in the designation of assisted areas and in the availability of regional development grants announced on 17 July 1979.

Added Value in External Financial Reporting

Michael Renshall, Richard Allan and Keith Nicholson
Report of a study commissioned to evaluate the merits of including a statement of added value in company reports. It suggests that added value information would significantly enhance the quality of British company accounts.

Kemps Directory 1979/80

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The brand new edition of this outstanding classified guide to sources of industrial goods and services throughout the UK, with an expanded section encompassing international business, concentrating on exporters and importers.

VAT for Businessmen

A. St. John Price
A brief and simple introduction to help business people in small firms to avoid expensive error and to prompt the reader to ask the right questions about VAT.

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This new booklet in the series "Notes for Businessmen" aims to explain in simple terms how ratio analysis can help the businessman to identify the financial strengths and weaknesses of his business and to make sensible comparisons with others.

Financial and Cost Accounting for Management

A. H. Taylor and H. Shearing
This book has been written with the express purpose of imparting the essential information about accountancy which every manager should know. This new edition has been extensively revised and updated and pays particular attention to the effects of inflation.

Labour Law

M. Wright
This Handbook forms a useful guide for students preparing for both professional and degree level examinations in labour law and industrial law. The new edition brings the text up to date as the law stood at 1st February 1979.

Supplies and Materials Management

H. K. Compton
This reference book for purchasing and supply is intended for all staff involved in supplies and materials management, whether specialised or not, and for those who use supplies.

The German Standard Contracts Act

Harry Silberberg
This book provides an extensive introduction to the German Standard Contracts Act, 1977, followed by the German text of the Act, together with translation. The introduction has been written with the needs of foreign lawyers and businessmen in mind.

Switzerland: Land and People

Emil Egli
The development of Switzerland's natural history and economy has been explained in a clear and readable manner by Professor Egli for the benefit of all those English-speaking people who would like to know more about its individual characteristics. 21 coloured plates are included in the text.

Interpreting Company Reports and Accounts

Geoffrey Holmes and Alan Sugden
From the study of published accounts the astute investor can discover undue risk-taking, clues relating to the quality of management and where "window-dressing" has been used to disguise poor results. This book is non-technical, comprehensive and of great importance.

Readings in Inflation Accounting

P. T. Wanless and D. A. R. Forrester
Collects together a large number of articles and provides complete coverage of the major issues in this topical and controversial field. The contributors are international and the widest aspects of the field are covered.

BUSINESS BOOKS

Digestible chemical statistics

BY SUE CAMERON

European Chemical Industry Handbook: A guide to the West European Chemical Process Industry. Hedderwick Stirling Grumbar, 1, Moorgate, London EC2R 6AA. £75.

THE European Chemical Industry Handbook just published by Hedderwick Stirling Grumbar, a firm of brokers and analysts, is nothing if not impressive. The sheer breadth of the information it contains must make it a useful addition to the library of anyone with connections in the chemical industry.

Hedderwick has produced chemical industry guides before but in the past the data has always been strongly centred on the UK. Considering the international nature of the chemical industry in terms of companies,

raw materials, prices and production capacity, Hedderwick's decision to take a broader, European, view is, if anything, overdue.

But having taken the plunge, the firm has made a thorough job of it. The marathon task of editing this heavy tome fell to Stuart Walmsley, a research partner and chemicals specialist at Hedderwick. Mr. Walmsley is to be congratulated on presenting such a weight of statistics in a form that is reasonably easy to digest.

The facts and figures covered by the guide are certainly comprehensive. They range from chemicals turnover according to country—that for the UK was \$28,608bn last year, higher than for any other West European country except Germany—to detailed financial information

on the major individual chemical companies. One of the appendices even includes a neat list of the main chemicals produced in Europe plus their end uses and the names of those who make them.

The handbook is divided into three sections covering general data, products and companies. It comes in a loose leaf binder so that it can be constantly updated—Mr. Walmsley says in the introduction that it is hoped that the handbook will provide a foundation "on which to build an expanding collection of statistics as they become available."

He also points out that the guide is intended as a complementary reference work to Hedderwick's newsletters on chemicals and pharmaceuticals. It is not meant to be a thorough-

going commentary on the European chemicals scene—the text has been incorporated as a skeletal framework for the statistical content.

The list of sources for the information given in the guide is a long one. The majority of them are publicly available but the value of the handbook is that it saves users the time-consuming task of collating and comparing yards of statistics from national publications with those of the UN, the European Commission and the European Council of Chemical Manufacturers' Federations, to name but a few.

This is probably the first time an attempt has been made to produce an all-embracing and yet detailed guide to Europe's investment and credit industry. The advent of this new style handbook is therefore to be welcomed.

A logical pricing policy

BY BARRY RILEY

Pricing Decisions: a practical guide to interdivisional transfer pricing policy. Alexander Young. Business Books. £15

THE increasing number of large companies has created a growing need to develop effective internal price mechanisms. When the disciplines of the market no longer apply because trading units do most of their dealing with other divisions of a large group, some substitute system is required.

The problem is easily solved, of course, if internal prices are simply laid down by the head office. But much emphasis is laid nowadays on the merits of decentralisation, as a way of giving incentives to divisional management. It is better for a

division to be a profit centre rather than just a cost centre; but that implies a control over revenues as well as over costs.

Dr. Young's book is essentially about how transfer pricing can be made a logical process. On the one hand, arbitrary pricing will destroy the incentives of divisional management and will fail to provide the top executives of the group with information which they could use to judge management performance. On the other hand, flexible or so-called "arm's length" pricing can give too much weight to the personalities involved. "Inter-divisional transfer price staff work and arguments can represent one of the purest forms of overhead," an executive of Kaiser Aluminium is quoted as saying frostily.

The author comes down firmly in favour of flexible and sensitive systems. For instance, the prices of outside suppliers may provide some kind of market-related reference point. But this will be by no means always the case, and it will be necessary to fall back on negotiated prices. If these are determined without reference to information relating to the outside market, the relative profit of the two divisions trading with each other will depend more than anything else on the bargaining ability of the respective divisional managers in negotiations which could take up a lot of executive time. Dr. Young does not fully explain how such problems can be satisfactorily overcome.

And at the international level quite different priorities apply. Here notions of efficiency and local autonomy are swamped by political considerations. Taxation is, of course, the key point; governments are highly conscious of the way that transfer prices can be used to shift profits from countries where corporate profits are taxed highly to those where the environment is more favourable to multinational companies. Tariffs are also relevant, being lower in absolute terms when the transfer price is low (though the saving will be offset by higher taxation). So in the vast majority of cases transfer prices are fixed by head office executives on a "flexible" basis, flexibility meaning that they comply with tax authorities' rulings on a case-by-case basis.

What to deduce from accounts

BY DAVID FREUD

Interpreting Company Accounts by Geoffrey Holmes and Alan Sugden. Woodhead-Faulkner, 8, Market Passage, Cambridge. £9.75

THIS is an excellent and long-overdue book. It aims at showing how the non-specialist can use information published by companies to build up a picture of their financial health and prospects. To this end it outlines the legislation under

which the company sector operates, but goes far further than the standard textbooks by describing the way the rules are observed in practice.

Again, unlike the textbooks, the reader feels in contact with the real world. Each point is made with the help of examples drawn from genuine company accounts; and the ways in which companies try to disguise poor performances, together with their motives for doing so, are well-signposted.

The book is wholly successful in its aim of providing a guide for anybody with a reasonably enquiring mind on how to take to pieces a set of reports and accounts. Along the way it provides powerful ammunition to disprove Clive Jenkins' statement: "Published accounts are utterly and absolutely useless."

The authors—Mr. Holmes, editor of the magazine Accountancy, and merchant banker Mr. Sugden—work from the basics up using non-technical language all the way, defining and explaining all the terms they use. While pointing to the uses

to which accounts can be put, they do not hesitate to point out the omissions that the legislation still permits. For instance, under British practice little or nothing is disclosed about most of the expenses of businesses.

The inevitable drawback of publishing a book which deals with the real world and uses up-to-the-minute examples, is that lengthy publishing schedules lead to it being out of date. The discussion on inflation accounting falls to mention Exposure Draft 24, for example, while the implications drawn about exchange control have been overtaken by the Government's changes.

The authors are not afraid to step into some of the current disputes over accounting practice, such as treatment of deferred tax and leasing. The rights and wrongs of the issues involved are not examined in great detail, but the ways in which different treatments of these issues can affect the accounts is clearly demonstrated.

There are also some witty accounts of the obvious pitfalls.

Any company that doubles its profits year after year is in all probability bound for disaster, we are told, if only because it is likely to be highly geared and therefore very vulnerable to any marked downturn.

Characteristic British understatement must be taken into account, and the authors say that all warning systems should be set to "red alert" if the auditors qualify a company report and do not seek reselection. Watch out also, for the whizz-kid or, in U.S. jargon, the gunslinger, who assembles a gigantic empire by issuing new shares in a bull market, which collapses when the market tops out.

One of the most important requirements for budding analysts is the ability to interpret chairman's statements. A no-growth company is likely to remain a no-growth company unless the management itself or its attitude changes. In this respect it is highly encouraging when a chairman admits to mistake or to being caught wrong-footed and reports what is or has been done about it.

Big company currency

BY BARRY RILEY

Foreign Exchange and the Corporate Treasurer by John Heywood, Adam and Charles Black. £6.90.

CORPORATE treasurers, especially those of the big multi-

national companies, are nowadays the popularly imagined villains of the foreign exchange markets, easy targets for politicians who complain that their policies are being "speculated" by such company officials as are speculating, or are only seeking to protect their companies against risk.

But how better to get a grip on the problem than through reading a book which is actually aimed at introducing the corporate treasurer to the foreign exchange markets?

Here the core of the matter turns out to be something described as selective cover, which means covering forward only when it appears to be justified by the risk of devaluation. If the forward discount is less than the measure of the risk—defined as the likely degree of devaluation multiplied by the probability of it happening within the period of cover—then the transaction is worthwhile.

This is highly subjective, of course. But John Heywood brings out a curious feature of the foreign exchange market—that the cost of forward cover does not relate very directly to the scale of the currency risk. This is because forward premiums and discounts relate only to interest rate differentials against the dollar, and since such differentials have not increased in recent years in proportion to the scale of currency swings, forward cover has come to offer much better value for money, as an insurance pro-

mium than it used to. The politicians, by implication, are unwilling to push domestic interest rates high (or low) enough to make forward currency dealing unprofitable for the corporate treasurers.

Mr. Heywood, who is in charge of foreign exchange operations at Hambros Bank, covers much more than just the forward market. He gives systematic descriptions of dealing procedures and discusses all the foreign exchange problems that might face a corporate treasurer. Unfortunately, the abolition of UK exchange controls has rendered part of the advice out of date. Yet the new freedom opens up enormous new scope for forward currency activity.

Constantly amazed

The author is an unashamed propagandist for the cause of foreign exchange dealing. He is "constantly amazed" that companies should devote so much more effort to trying to reduce production costs than to squeezing an extra margin out of currency exposures. But what about that question of speculation? Well, says Mr. Heywood, speculation is seeking to profit from deals that have no relation to normal underlying commercial transactions, whereas selective cover is a defensively motivated attempt to contain costs. So who's got a clear conscience, then?

'The accountant has changed from scorekeeper to manager of the financial information system...'

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Portfolio Analysis Second Edition by J. C. Francis and S. H. Archer. 'A financial text which brings together Markowitz's portfolio theory, Sharpe's risk-return theory and a wealth of related research in one clear, easy-to-read format. Useful in investment and security analysis courses. 1978 432pp £11.00'

FOREIGN EXCHANGE AND THE CORPORATE TREASURER by John Heywood 2nd edition. Checked and updated throughout, this new edition incorporates the latest information on the European Monetary System and details of the Central Rates operated by the Central Banks. £7.50

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Who Runs the Economy? The question is brilliantly answered by William Keegan and Rupert Pennant-Rea in their book of that name which Samuel Brittan calls "an excellent account of the influences and institutions behind British economic policy decisions"

Table with multiple columns containing financial data, likely a stock market index or similar financial table.

WORLD STOCK MARKETS

Early Wall St. rally on interest rate hopes

STOCKS ON Wall Street tended to rally yesterday morning in light trading on investor hopes that short-term interest rates will not move sharply higher over the near-term.

over speculation also moved ahead. Volume leader Bally Manufacturing rose 1 1/2 to \$29 1/2 and Caesars World \$1 to \$17 1/2.

sharp falls last week, Deutsche Bank rallied DM2 and Commerzbank DML. Dresdner Bank were unchanged.

Table with columns: Stock, Oct 26, Oct 25. Lists various stocks like AMF, AM Int, AMT, etc.

Table with columns: Stock, Oct 26, Oct 25. Lists various stocks like Humana, Hertz, Hurler, etc.

Paris Bourse prices tended to pick up in the afternoon following the widespread sharp falls suffered last Friday.

Table with columns: Stock, Oct 26, Oct 25. Lists various stocks like AMT, AMT Int, AMT, etc.

Table with columns: Stock, Oct 26, Oct 25. Lists various stocks like Humana, Hertz, Hurler, etc.

Notes: Belgian dividends are after withholding tax. DM 50 denom. unless otherwise stated.

Table with columns: Stock, Oct 26, Oct 25. Lists various stocks like AMT, AMT Int, AMT, etc.

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Notes: Belgian dividends are after withholding tax. DM 50 denom. unless otherwise stated.

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Table with columns: Index, 1979, 1978, 1977, 1976. Lists indices like Industrial, Transport, Utilities, etc.

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Japan may halt beef trade with Australia

TOKYO—The Japanese Government is considering a partial or total ban on imports of Australian beef because of the suspected outbreak of foot-and-mouth disease in Tasmania.

World fish meal stocks rise

WORLD CARRYOVER stocks of fish meal on October 1 stood at 870,000 tonnes, up 30,000 from a year earlier and their highest level for eight years.

Orkney abattoir plan approved

Financial Times Reporter A NEW £1.2m abattoir planned for Orkney has been approved by the Island's council.

Easier trend in sterling lifts base metals

BY JOHN EDWARDS, COMMODITIES EDITOR

THE FALL in the value of sterling yesterday brought a generally firmer trend on the London Metal Exchange. Copper led the upward move, with cash wirebars gaining £19.5 to 5947 a tonne.

expected rise in warehouse stocks—up by 55 tonnes to a total of 1,945 tonnes when a decline had been forecast.

ing conditions the cash price lost £7.5 to £2,735 a tonne, while three-months rose by £12.5 to £2,805.

Rain hits Colombian coffee

By Our Commodities Staff

Rain has caused heavy coffee losses in the Colombian producing area of Manizales, according to local trade sources.

Export boost for bauxite industry

BY CANUTE JAMES IN KINGSTON

JAMAICA HAS secured contracts for supplying alumina to the USSR and Hungary. Delivery is to begin early next year.

The Government feels that the markets have made the project worthwhile, and feasibility studies are being carried out by Hungarian and Jamaican technicians.

Tin pact range 'crucial'

BY OUR COMMODITIES STAFF

ESTABLISHING acceptable price ranges for operation of the buffer stocks will be critical for establishing the proposed new International Tin Agreement.

a systematic and objective approach to buffer stock pricing range, would be enhanced in the next agreement.

The Minister said he wanted to see the broadest possible participation in negotiations, due to start early next year.

Indian tea export problems

CALCUTTA—The Indian tea industry faces a difficult task to regain its position as the world's major supplier of tea.

The market for tea in India is expected to stabilise in 1979-80, but India faced new inroads made into its traditional markets by Argentina, Iran, the Soviet Union and China, the report warned.

Sugar prices lose early rise

BY RICHARD MOONEY

WORLD SUGAR ended lower on the London futures market yesterday after date selling wiped out an early rise.

Dealers said the early "bullish" sentiment was also affected by the Latin American and Caribbean Sugar Exporting Countries' (GEPALACEA) estimate that world consumption of sugar would exceed production by 3.38m tonnes in the 1979-80 season.

Under the agreement, shortfalls are automatically reallocated to other members if the average price remains above 12 cents a pound for five consecutive market days, unless the ISO executive decides otherwise.

Indian tea export problems

CALCUTTA—The Indian tea industry faces a difficult task to regain its position as the world's major supplier of tea.

EEC expected to raise wheat exports

WASHINGTON—The U.S. State Dept. has not lost any sales abroad due to the EEC's wheat export subsidies in 1979-80.

But he thought the EEC would probably have to increase the subsidy levels, in light of its large crop this year, the Community's high stock levels carried over from the 1978-79 year and increased competition on the world market.

AMERICAN MARKETS

NEW YORK, Oct. 29. GOLD CLOSED higher in nervous trade on dealer support ahead of the U.S. balance of payments report.

BRITISH COMMODITY MARKETS

BASE METALS

Table with columns for metal type (Copper, Tin, Zinc, Lead), price, and change. Includes sub-sections for Wirebars, Cathodes, and various grades.

COFFEE

Table showing coffee prices for various origins (Arabica, Robusta) and grades, with columns for price and change.

PRICE CHANGES

Table listing price changes for various commodities including metals, oils, and grains, with columns for item, price, and change.

EUROPEAN MARKETS

Table showing European market prices for commodities like wheat, sugar, and oil, with columns for item, price, and change.

INSURANCE BASE RATES

Table listing insurance base rates for property, theft, and other risks, with columns for rate and percentage.

GRAINS

Table showing grain prices for wheat, barley, and other cereals, with columns for item, price, and change.

SUGAR

Table showing sugar prices for various grades and origins, with columns for item, price, and change.

INDICES

Table showing various financial indices including Dow Jones, FTSE, and others, with columns for index name and value.

Advertisement for Bache Halsey Stuart, 1979, offering commodity investment services. Includes contact information for Keith Edwards and Peter Gignoux.

Advertisement for Silver, featuring a silver ring and promotional gifts. Includes contact information for Manhattan Windsor.

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LONDON STOCK EXCHANGE

British Funds lead technical recovery in markets with gains to £1 1/4 - Equity index rallies 6.6 to 446.8

Account Dealing Dates

Table with columns for 'First Declared', 'Last Account', 'Dealing Dates', and 'Settlement Dates' for various months from Nov to Dec.

The technical recovery movement which was confidently expected last Friday at the end of the first week of freedom from UK exchange controls developed yesterday in London stock markets, bringing a welcome halt to the recent spell of weakness in both main investment sectors.

Leading equities started the movement but it was the rally in Government stocks which provided the real impetus. A squeeze on short commitments in the latter market intensified as the day progressed and led to thoughts that market's overvalued position was possibly larger than originally anticipated.

The outcome was that longer Gilts regained a maximum of 14 points and the shorts, too, were nearly a point up in places, with the exception of low coupon stocks. These remained depressed and the special short tap Eschequer 3 per cent 1984 fell a point more to 74 in reflection of its diminished attractions since the Budget to higher tax payers.

The rally in the equity leaders, albeit on a more modest scale, was encouraged by bear covering combined with a certain amount of cheap buying. There was not

a great deal of force behind the latter but in a market seemingly overbought after the recent eight-day decline, prices were quick to respond.

Nevertheless, after the initial flurry of activity, which took the FT 30-share index up 6.3 at 11 am and an ensuing modest reaction with trading almost came to a standstill, many leading industrial shares were edging a little higher in the late trade and the index closed 6.6 up at the day's best of 446.8.

Despite the company's denial of a takeover approach, Cons. Gold Fields still attracted a sizeable business in traded options, contributing 314 trades to a total of 853, against Friday's figure of 1,206.

Vitatron, which staged a highly successful debut last week despite adverse general market conditions, attracted fresh investment support and firmed 11 to 277p; the placing price was 175p.

Sterling credit fall

Sterling Credit became a notable late casualty in the banking sector, falling 4 to a 1979 low of 15p in reaction to the chairman's bearish remarks at the annual meeting. The index closed 6.6 up at the day's best of 446.8.

Automated Security put on 5 to 190p. AB Electronics, on the other hand, declined 7 to 156p and Laurence Scott, 77p, and Petbow, 60p, shed 4 apiece.

Leading Engineering took a modest turn for the better, largely on technical influences. Vickers, a depressed market of late, rallied 4 to 126p, while Tube, which had been steady at 276p and gains of 3 were recorded in John Brown.

Reed int firm

Miscellaneous Industrial leaders moved higher mainly on technical influences. Avanti, which had been steady at 126p, rallied 4 to 126p, while Tube, which had been steady at 276p and gains of 3 were recorded in John Brown.

Wearwell good

Burton "A" continued to beat a retreat in Stores, falling 12 further to 246p as persistent selling and lack of support. Mothercare, on the other hand, rose 4 more to 188p following favourable comment on the better-than-expected interim results. UDS hardened 2 to 85p and Marks & Spencer edged forward a penny to 91p.

Many Building descriptions made modest progress on the appearance of a few cheap buyers, but overall business was disappointing. Among the leaders, Blue Circle added a couple of pence to 254p, while London Brick hardened a penny to 69p.

Overseas issues, however, still reflected the sharply lower interim profits, gave further ground; the ordinary shed 5 to 68p and the restricted voting shares fell 3 to 67p.

ACTIVE STOCKS

Table of Active Stocks with columns for Stock, Denomination, No. of Shares, Closing Price, and Change on Day.

The rally in Foods gained impetus after-hours and notable gains included J. Sainsbury, 5 up at 285p. Associated Dairies firmed 4 to 252p, while Tesco improved 1 1/2 to 69p and Bejam rallied 3 to 70p.

Rate and Lyle hardened 2 to 145p and Unigate rose 4 to 103p. Demand ahead of the half-yearly results, due on Thursday, lifted Avana 3 to 115p, while 16p, while speculative favourite George Bassett attracted late support and put 3 to 94p.

RECENT ISSUES

Table of Recent Issues with columns for Issue, Price, and Date.

Investment Trust (10) 195.37 +0.2 5.96 - 194.68 194.9 26.37 21.82 26.87 21.87

RIGHTS OFFERS

Table of Rights Offers with columns for Issue, Price, and Date.

FINANCIAL TIMES STOCK INDICES

Table of Financial Times Stock Indices with columns for Index, Oct 29, Oct 28, Oct 27, Oct 26, Oct 25, and Year Ago.

HIGHS AND LOWS

Table of Highs and Lows with columns for Index, High, Low, and Daily Change.

S.E. ACTIVITY

Table of S.E. Activity with columns for Index, High, Low, and Daily Change.

LONDON TRADED OPTIONS

Table of London Traded Options with columns for Option, Price, and Volume.

EUROPEAN OPTIONS EXCHANGE

Table of European Options Exchange with columns for Series, Vol., Last, and Stock.

BASE LENDING RATES

Table of Base Lending Rates with columns for Bank, Rate, and Term.

NEW HIGHS AND LOWS FOR 1979

Table of New Highs and Lows for 1979 with columns for Stock, High, and Low.

FIXED INTEREST STOCKS

Table of Fixed Interest Stocks with columns for Stock, Price, and Yield.

RISES AND FALLS YESTERDAY

Table of Rises and Falls Yesterday with columns for Stock, Rise/Fall, and Volume.

MOTOR SHOW CONTRACT FOR DECADE

THE MOTOR SHOW will be held at the National Exhibition Centre near Birmingham for the next decade at least.

BRICKWORKS PLAN UNDER FIRE

Pollution experts have advised Bedfordshire County Council to reject a proposal to build two brickworks costing £80m.

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries.

EQUITY GROUPS & SUB-SECTIONS

Table of Equity Groups and Sub-sections with columns for Index, Price, and Change.

FIXED INTEREST YIELDS

Table of Fixed Interest Yields with columns for Index, Yield, and Term.

FIXED INTEREST PRICE INDICES

Table of Fixed Interest Price Indices with columns for Index, Price, and Change.

AUTHORISED UNIT TRUSTS

Table listing various unit trusts such as Abbey Unit Tr. Mgrs., Abbey Unit Tr. Mgrs., Abbey Unit Tr. Mgrs., etc., with columns for name, address, and other details.

Mutual Unit Trust Managers

Table listing mutual unit trust managers including Abbey Unit Tr. Mgrs., Abbey Unit Tr. Mgrs., Abbey Unit Tr. Mgrs., etc., with columns for name, address, and other details.

Ridgefield Management Ltd.

Table listing Ridgefield Management Ltd. unit trusts such as Ridgefield Management Ltd., Ridgefield Management Ltd., Ridgefield Management Ltd., etc., with columns for name, address, and other details.

OFFSHORE & O'SEAS FUNDS

Table listing offshore and overseas funds including Alexander Fund, Allen Harvey & Ross Unit Tr. Mgrs., Arabi Unit Tr. Mgrs., etc., with columns for name, address, and other details.

INSURANCE & PROPERTY FUNDS

Table listing insurance and property funds such as Abbey Life Assurance Co. Ltd., Abbey Life Assurance Co. Ltd., Abbey Life Assurance Co. Ltd., etc., with columns for name, address, and other details.

NOTES: Prices are in pence unless otherwise indicated. Yields are shown in italics unless otherwise stated. All figures are as at the date of issue of this supplement.

What words can't adequately express... flowers can. No expression of sympathy is more personal. For guaranteed delivery and the widest choice of wreaths and floral tributes, see your local Interflora florist.

FT SHARE INFORMATION SERVICE

FOOD, GROCERIES—Cont.

BRITISH FUNDS

Table of British Funds with columns for Name, Price, and Yield. Includes sections for 'Shorts' (Lives up to Five Years) and 'Over Fifteen Years'.

FOREIGN BONDS & RAILS

Table of Foreign Bonds & Rails with columns for Country, Name, Price, and Yield.

BANKS & HP—Continued

Table of Banks & HP with columns for Name, Price, and Yield.

CHEMICALS, PLASTICS—Cont.

Table of Chemicals, Plastics with columns for Name, Price, and Yield.

ENGINEERING—Continued

Table of Engineering with columns for Name, Price, and Yield.

AMERICANS

Table of American Stocks with columns for Name, Price, and Yield.

BEERS, WINES AND SPIRITS

Table of Beers, Wines and Spirits with columns for Name, Price, and Yield.

DRAPERY AND STORES

Table of Drapery and Stores with columns for Name, Price, and Yield.

BUILDING INDUSTRY, TIMBER AND ROADS

Table of Building Industry, Timber and Roads with columns for Name, Price, and Yield.

ELECTRICALS

Table of Electricals with columns for Name, Price, and Yield.

CANADIANS

Table of Canadian Stocks with columns for Name, Price, and Yield.

HIRE PURCHASE, ETC.

Table of Hire Purchase, Etc. with columns for Name, Price, and Yield.

INTERNATIONAL BANK

Table of International Bank with columns for Name, Price, and Yield.

BANKS AND HIRE PURCHASE

Table of Banks and Hire Purchase with columns for Name, Price, and Yield.

CORPORATION LOANS

Table of Corporation Loans with columns for Name, Price, and Yield.

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Table of Loans with columns for Name, Price, and Yield.

FINANCIAL TIMES

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Table of Food, Groceries, etc. with columns for Name, Price, and Yield.

HOTELS AND CATERERS

Table of Hotels and Caterers with columns for Name, Price, and Yield.

INDUSTRIALS (Miscel.)

Table of Industrials (Miscel.) with columns for Name, Price, and Yield.

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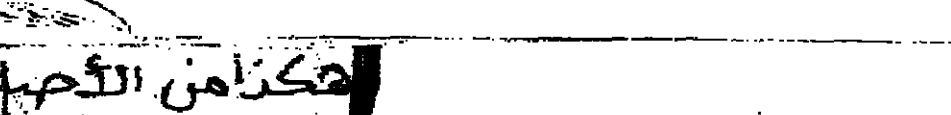
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MOSCOW: Kuznetsky 14, Apartment 1, Moscow.
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PARIS: 36 Rue de Valenciennes, 75002.
ROME: Via della Mercede 51, 00187.

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INDUSTRIALS—Continued

Table of industrial stocks including companies like British Petroleum, Shell, and ICI, with columns for stock name, price, and other financial metrics.

INSURANCE—Continued

Table of insurance companies such as Royal Indemnity, Commercial Union Assurance, and others.

PROPERTY—Continued

Table of property-related stocks and companies, including various real estate and construction firms.

INVESTMENT TRUSTS—Cont.

Table of investment trusts and funds, detailing their names and associated financial data.

FINANCE, LAND—Continued

Table of finance and land-related stocks, including banks, insurance companies, and landowners.

NOMURA advertisement featuring the company logo and contact information for its London office.

MINES—Continued CENTRAL AFRICAN

Table of Central African mines including Anglo American, De Beers, and other mining companies.

AUSTRALIAN

Table of Australian mining and industrial stocks.

COPPER

Table of copper-related stocks and companies.

MISCELLANEOUS

Table of miscellaneous stocks and companies.

NOTES

Textual notes and footnotes providing additional information and disclaimers regarding the data presented.

REGIONAL MARKETS

Table showing regional market data for various countries and regions.

OPTIONS 3-month Call Rates

Table of 3-month call option rates for various stocks.

LEISURE

Table of leisure and entertainment stocks.

MOTORS, AIRCRAFT TRADES

Table of motor and aircraft trade companies.

Commercial Vehicles

Table of commercial vehicle companies.

Components

Table of component and parts companies.

Garages and Distributors

Table of garage and distributor companies.

PAPER, PRINTING

Table of paper and printing companies.

ADVERTISING

Table of advertising and media companies.

PROPERTY

Table of property-related companies.

SHIPPING

Table of shipping and maritime companies.

SHOES AND LEATHER

Table of shoes and leather goods companies.

SOUTH AFRICANS

Table of South African stocks and companies.

TEXTILES

Table of textile and clothing companies.

NEWSPAPERS, PUBLISHERS

Table of newspaper and publishing companies.

TOBACCO

Table of tobacco companies.

TRUSTS, FINANCE, LAND

Table of trusts, finance, and land-related companies.

FINANCE, LAND, etc.

Table of finance, land, and other miscellaneous companies.

OILS

Table of oil and energy stocks.

OVERSEAS TRADERS

Table of overseas trading companies.

RUBBERS AND SISALS

Table of rubber and sisal companies.

TEAS

Table of tea companies.

India and Bangladesh

Table of Indian and Bangladeshi stocks.

Sri Lanka

Table of Sri Lankan stocks.

Africa

Table of African stocks.

MINES

Table of mining companies.

CENTRAL RAND

Table of Central Rand mining stocks.

EASTERN RAND

Table of Eastern Rand mining stocks.

FAR WEST RAND

Table of Far West Rand mining stocks.

O.F.S.

Table of O.F.S. (Overseas Finance and Securities) stocks.

FINANCE

Table of finance and banking stocks.

DIAMOND AND PLATINUM

Table of diamond and platinum stocks.

INSURANCE

Table of insurance companies.

BSC in new coal imports threat

BY JOHN LLOYD

THE RIFT between the British Steel Corporation and the National Coal Board deepened last night as the corporation made it clear that it was prepared to more than double its coking coal imports...

major contribution to the corporation's loss in the last financial year of £309m. It is essential for the future of BSC's works and its workforce that it does all it can to minimise this handicap...

upwards its figures for coking coal to be imported in the current financial year from levels announced last week. It says it will import 2.9m tonnes of foreign coking coal this year...

dearer than Australian coking coal of the same quality, while its 1.2m extra tonnes of imports this year are £14 a tonne cheaper than UK coal.

The corporation claimed that it was losing £135m a year by buying UK coking coal rather than foreign coal, partly because imports cost at least £10 a tonne less and partly because their better quality gave an operating advantage.

In a clear display of customer power, Mr. Frank Holloway, the corporation's managing director of finance, who is also a member of the NCB, said: "It would be feasible for the corporation to import around 50 per cent of its total coking coal requirements from overseas without any additional capital expenditure."

It says the price of UK coking coal has gone up six times over the last nine years, while the retail price index has tripled. Over the same period, foreign coking coal has risen from £7.30 a tonne to £30.37 on average...

The solution implicitly proposed by BSC—a £10 a tonne subsidy by NCB—would cost the Coal Board, on present sales, more than £80m a year. The board, while not in such straits as BSC, made a small loss in the last financial year and has a heavy investment programme.

Caledonian in £136m Airbus order

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

BRITISH CALEDONIAN, the UK's biggest independent airline, yesterday signed a contract for three European A-310 Airbus aircraft...

The value of the engines will be about £3m per aircraft. A sum to cover the engine deal has been included in the total cost of £136m for the six A-310s, including spares.

265 passengers in a high-density, one-class layout, or 18 first-class and 188 economy passengers in the normal layout.

recover part of the £21m lost profits resulting from the groundings of its three DC-10s this summer.

The airline also announced that its net profit for the financial year ending tomorrow would be more than £3m, compared with £12.2m last year. Mr. Adam Thomson, chairman of British Caledonian, who signed the A-310 deal with Mr. Bernard Lathiere, president of Airbus Industrie, said the choice had been difficult, with the Boeing 767 twin-engine airliner pushing the A-310 hard.

The Airbus order is not directly due to B-Cal's decision to seek 23 new cheap-fare routes between Gatwick and the Continent, but is intended to meet traffic growth expected throughout the existing network in the 1980s.

Mr. Thomson said that finance for the order was no problem. It would be raised through normal banking channels, and already several UK and Continental banks had approached the airline with a view to providing finance.

B-Cal is arguing that under the Anglo-U.S. Bermuda Two agreement, the U.S. Government had no authority to refuse entry to an aircraft with a valid UK Certificate of Airworthiness, no matter what its own airworthiness organisation may have thought.

Unions in profitable companies get warning

By Nick Garnett, Labour Staff

UNIONS OPERATING in profitable companies were told yesterday by Mr. James Prior, Employment Secretary, that if wage claims and settlements were related simply to the companies' gross profits, in the long run the economy would be damaged.

Mrs. Thatcher seeks support for 'no strings' budget cut

BY REGINALD DALE, EUROPEAN EDITOR, IN BRUSSELS

BRITAIN WILL resist any proposal that its "unfair" contribution to the EEC budget should be reduced in exchange for concessions on other Community issues such as the Common Fisheries Policy.

At the end of this week or early next week at the latest, it is clear, however, that the UK will insist on a cash rebate next year, through some kind of "corrective mechanism," at the nine-nation Dublin summit at the end of next month.

will in the Community since the Conservative Government came to power. Mr. Peter Walker, the Minister of Agriculture, has also been going out of his way to be co-operative on fisheries at the present Ministerial Council meeting in Luxembourg, it is emphasised.

Hua says Vietnamese must quit Cambodia before peace talks

BY DAVID HOUSEGO

CHAIRMAN HUA GUOFENG, the Chinese leader told the Government yesterday that there could be no political settlement in Cambodia until Vietnamese troops had withdrawn from the country.

In wide-ranging talks about the world situation with Mrs. Margaret Thatcher, Chairman Hua gave China's views on the situation in Indochina.

plenary session at which Lord Carrington, the Foreign Secretary, was present. There will be further plenary talks on Thursday.

timing to recognise the cruel regime of the deposed Khmer Rouge leader Pol Pot. Earlier in the day Chairman Hua had his first glimpse of London as a tourist. Wrapped in a grey overcoat, he sped down the Thames aboard an SRN6 Mark 6 Hovercraft.

Final talks today on BP shares price

BY OUR OWN CORRESPONDENT

CONFIDENTIAL discussions this evening between the Government and its City advisers are expected to produce the final, detailed decision to go ahead with the sale of 5 per cent of British Petroleum.

A final price for the shares will be decided in the light of market conditions today. Yesterday the oil sector was quiet as investors awaited details of the offer, and the BP share price rose 4p to 376p.

on application and the remainder early next year. Six leading merchant banks are handling the issue. They are Robert Fleming, Kleinwort Benson, Lazard, Morgan Grenfell, Schroders and Warburgs.

There are four broking firms, Cazenove, Hoare Govett, Rowe and Pimco, and Scrimgeour, along with the Government brokers Mullens.

Vauxhall engineers accept 17% offer

By Phillip Bassett, Labour Staff

VAUXHALL MOTORS' engineering workers at its Ellesmere Port plant on Merseyside yesterday overturned the recommendations of their shop stewards and voted to accept the company's 17 per cent pay package and end their eight-week strike.

While the Amalgamated Union of Engineering Workers is the majority union at the plant, whether production can restart hinges on the outcome of a meeting of Transport and General Workers' Union shop stewards, who have consistently taken a hard line against the pay offer, and of 300 settlers at the plant, which will be known today.

The difference between yesterday's vote at a mass meeting of AUEW members and that of a similar meeting three weeks ago of TGWU members, which voted to continue the strike in spite of warnings from the company about the plant's future, mirrors the division between the TGWU and other motor unions over resistance to BL's rationalisation plan. The result of a ballot of BL workers will be known this week.

The 300 settlers, who are also AUEW members, will discuss long-standing grievances over differentials which have flared up again this year after the company, as part of its pay package, set up a top craft rate, giving fitters £100 a week and leaving settlers on the next rate of £92.00.

Agreement of both groups on the offer, and a solution to a grading dispute involving quality inspectors who have also met, is necessary before the plant can be restarted on a phased basis.

Weather

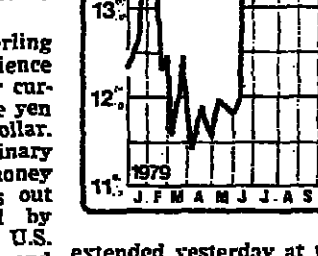
UK TODAY DRY in the east. Otherwise rain or drizzle at times. London S.E. England, E. Anglia, E. Midlands. Bright intervals, rain or drizzle, Max 12C (54F).

Table with columns for location, temperature, and weather conditions. Includes entries for London, Paris, Rome, etc.

Pressure point for money rates

THE LEX COLUMN

Index rose 6.6 to 446.8



Gains of over a point in long-dated gilt-edged stock yesterday went some way towards making up for the recent gloom in the fixed interest market.

For one thing, sterling showed considerable resilience on a day when other major currencies — most notably the yen — were weak against the dollar.

Clearly GEC believes time is on its side. If the equity market continues to fall, and industrial conditions continue to get bleaker, its cash bid will grow more attractive.

While the spate of small new issues is welcome two points need to be made about them. First of all it is clear that the sponsoring institutions are finding it very difficult to get the pricing right.

Patek Philippe Hand-crafted advertisement featuring images of watches and text describing the brand's history and craftsmanship.

Vertical text on the right edge of the page, including 'Holland', 'GENERAL', 'France', 'dead', 'on la', 'French M', 'found', 'IRA killing', 'Korea cia', 'Belvoir ho', 'Woodcock', 'NF man', 'rates mov', 'briefly', 'CHIEF PRICE', 'The Financial Times Ltd., 1979'.